



**Bamni Proteins Ltd.**

**25<sup>th</sup>**

**ANNUAL REPORT  
2021 - 2022**

Registered Office : 56/715, SBT Avenue, Panampilly Nagar, Kochi - 682 036  
Factory : P.O.Dudholi, Bamni Via, Ballarpur, Dist. Chandrapur, Maharashtra - 442 701



## **Bamni Proteins Ltd.**

CIN: U24231KL1997PLC011971

# **25th Annual Report 2021 - 2022**

### **BOARD OF DIRECTORS**

<b>Chairman</b>	<b>: PHILIP CHACKO M</b>
<b>Directors</b>	<b>: DR. SHINYA TAKAHASHI P. SAHASRANAMAN PRADEEP KUMAR K</b>
<b>Chief Executive</b>	<b>: K.A. GEORGE</b>
<b>Auditors</b>	<b>: M/s. Walker Chandio &amp; Co LLP, Kochi Chartered Accountants</b>
<b>Bankers</b>	<b>: State Bank of India, Ballarpur Bank of India, Bamni Standard Chartered Bank, Chennai</b>
<b>Registered Office</b>	<b>: 56/715, SBT Avenue, Panampilly Nagar, Kochi - 682 036</b>
<b>Factory</b>	<b>: P.O. Dudholi, Bamni Via, Ballarpur - 442 701, Dist: Chandrapur, Maharashtra, India</b>

### **CONTENTS**

Board of Directors, etc	2
Notice	3
Directors' Report	8
Auditor's Report	20
Balance Sheet	27
Statement of Profit and Loss	28
Cash Flow Statement	30
Notes on Accounts	32

---

### **HOLDING COMPANY**

**NITTA GELATIN INDIA LTD.:** 56/715, SBT Avenue, Panampilly Nagar, Kochi - 682 036

---

## NOTICE TO MEMBERS

NOTICE is hereby given that the 25th Annual General Meeting of M/s. Bamni Proteins Limited will be held on Saturday, 30th day of July 2022 at 10 AM at the Registered Office of the Company at 56/715, SBT Avenue, Panampilly Nagar, Kochi - 682 036 to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31st March 2022, together with the Report of Board of Directors and the Auditors Report thereon.
2. To declare dividend on Equity Shares - 42,50,000 Equity Shares absorbing an amount of ₹ 5,73,75,000/-.
3. To appoint a Director in place of Mr. P. Sahasranaman (DIN: 07644126) who retires by rotation and being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS:

#### 4. **Appointment of Mr. Philip Chacko M (DIN: 01219764) as Director of the Company**

To consider and, if thought fit, to pass with or without modification(s) the following resolution as an **ORDINARY RESOLUTION:**

**RESOLVED THAT** pursuant to the provisions of Section 149 and 152 and all other applicable provisions of the Companies Act, 2013 (The Act) and the Companies (Appointment and Qualification of Directors) Rules, 2014 including any statutory modification(s) or re-enactment thereof for the time being in force and the Articles of Association of the Company, Mr. Philip Chacko M (DIN: 01219764) who was appointed as an Additional Director on 04.02.2022 pursuant to the provisions of Section 161(1) of the Act, and who holds office up to the date of the ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Act from the Director himself, signifying his candidature as the Director, be and is hereby appointed as the Director of the Company, liable to retire by rotation.

#### **RESOLVED FURTHER THAT**

Mr. P. Sahasranaman, Director (DIN: 07644126) be and is hereby authorized to file necessary returns with the Registrar of Companies and do all such acts, as may be necessary to comply with the provisions of the law and to give effect to the resolution.

#### 5. **Appointment of Mr. Pradeep Kumar K (DIN: 09591694) as Director of the Company**

To consider and, if thought fit, to pass with or without modification(s) the following resolution as an **ORDINARY RESOLUTION:**

**RESOLVED THAT** pursuant to the provisions of Section 149 and 152 and all other applicable provisions of the Companies Act, 2013 (The Act) and the Companies (Appointment and Qualification of Directors) Rules, 2014 including any statutory modification(s) or re-enactment thereof for the time being in force and the Articles of Association of the Company, Mr. Pradeep Kumar K (DIN: 09591694) who was appointed as an Additional Director on 04.05.2022 pursuant to the provisions of Section 161(1) of the Act and who holds office up to the date of the ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Act from the Director himself signifying his candidature as the Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.

#### **RESOLVED FURTHER THAT**

Mr. P. Sahasranaman, Director (DIN: 07644126) be and is hereby authorized to file necessary returns with the Registrar of Companies and do all such acts, as may be necessary to comply with the provisions of the law and to give effect to the resolution.

#### 6. **Approval for entry into Related Party Transactions by the Company**

To consider and, if thought fit, to pass with or without modification(s) the following as an **ORDINARY RESOLUTION:**

**RESOLVED THAT** pursuant to the provisions of the Section 188 of the Companies Act, 2013 (The Act) read with Rule 15 of the Companies (Meeting of Board and its Powers) Rules, 2014 and subject to such approvals, consents, sanctions and permissions as may be necessary, the consent of the Members of the Company by way of an Ordinary Resolution be and is hereby accorded to the Board of Directors (hereinafter called "the Board" which term shall be deemed to include any Committee which the Board may constitute for the purpose) for execution of contracts by the Company with M/s. Nitta Gelatin Inc., Japan and M/s. Nitta Gelatin India Limited to sell, purchase, or supply of any goods or material and to avail or render any service of any nature, whatsoever, as the Board in its discretion deems proper, subject



to complying with the procedures to be fixed by the Board or its Committee upto an amount and as per the terms and conditions mentioned under Item No. 6 of the Explanatory Statement with respect to transactions proposed and annexed hereto with notice.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto, and to sign and execute all deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such acts,

things, deeds, matters, that may be necessary, proper, expedient or incidental thereto for the purpose of giving effect to this resolution.”

**RESOLVED FURTHER THAT**

Mr. P. Sahasranaman, Director (DIN: 07644126) be and is hereby authorized to file necessary returns with the Registrar of Companies, as may be necessary to comply with the provisions of the law and to give effect to the resolution.

Kochi  
04.05.2022

By Order of the Board

Sd/-  
P. Sahasranaman  
Director  
(DIN: 07644126)

**Notes:**

1. **THE EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013 WITH RESPECT TO THE SPECIAL BUSINESS SET OUT IN THE NOTICE IS ANNEXED.**
2. **PURSUANT TO THE PROVISIONS OF THE ACT, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF, AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
3. The Annual Report 2021- 22 which includes the Notice of the AGM, Board's Report, Financial Statements and other documents are being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories.
4. Attendance of Members shall be counted for quorum under Section 103 of the Act.
5. The Company notifies Closure of Register of Members and Share Transfer Books thereof from 24th July, 2022 to 30th July, 2022 (both days inclusive) to determine the Members, entitled to receive dividend which will be declared at the Annual General Meeting.
6. The dividend, if declared at the meeting will be paid on or after 22nd August, 2022 to those Shareholders whose names appear on the Register of Members as on closure, subject to deduction of tax at source.
7. Members are requested to notify the Company immediately of their Bank Account Number and name of the Bank and Branch in the case of physical holdings and to their respective Depository Participant in the case of dematted shares, so that payment of dividend when made through NECS/Dividend Warrants, can capture the updated particulars and avoid delay/default.
8. Pursuant to Finance Act 2020, dividend income will be taxable in the hands of Shareholders w.e.f. April 01, 2020 and the Company is required to deduct tax at source from dividend paid to Shareholders at the prescribed rates. For the prescribed rates for various categories, the Shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The Shareholders are requested to update their PAN with the Company (in case of shares held in physical mode) and depositories (in case of shares held in demat mode).

A Resident individual Shareholder with PAN and who is not liable to pay income tax can submit a

yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by email to the Company by 11:59 p.m. IST on 20th July, 2022. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.

Non-resident Shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by sending an email to the Company by 11:59 p.m. IST on 10th July, 2022.

9. The Company has a website- <https://www.bamniproteins.com/> where the annual return of the Company will be published complying with the provisions of Section 134 (3)(a) of the Companies Act, 2013.

**EXPLANATORY STATEMENT****Pursuant to Section 102(1) of the Companies Act, 2013****Item No. 4: Appointment of Mr. Philip Chacko M (DIN: 01219764) as Director of the Company**

The Board of Directors at their meeting dated 04th February 2022 appointed Mr. Philip Chacko M (DIN: 01219764) as an Additional Director of the Company.

Mr. Philip Chacko M, holds PGDBM (Finance & Strategy) from Indian Institute of Management (IIM), Calcutta and B Tech (Civil) from Indian Institute of Technology (IIT), Kharagpur and has over 26 years of experience in some of the largest groups in India including Vedanta Group, GMR, Lanco, Tata Steel, Popular Vehicles and Kotak Mahindra. He has a rich exposure to multiple sectors viz Retail, Power, Wind Energy, Solar, Real Estate, Finance etc. Having commenced his post-MBA career in 1996 with TATA Steel, he was the Chief Operating Officer of USD 2 Bn, Talwandi Sabo Power Limited (Vedanta Group) and was also the General Manager – GMR Group.

The Company has received a notice as envisaged under Section 160(1) of the Act proposing him for appointment as a Director of the Company.

The Board of Directors recommends the Resolution as set out at Item No. 4 of the Notice for approval by the Members of the Company as an Ordinary Resolution.

None of the Directors, Key Managerial Personnel and relatives, except Mr. Philip Chacko M and his relatives are concerned or interested, financially or



otherwise, in the said Resolution mentioned at Item No. 4 of the Notice.

**Item No. 5: Appointment of Mr. Pradeep Kumar K (DIN: 09591694) as Director of the Company**

The Board of Directors at their meeting dated 04th May 2022 appointed Mr. Pradeep Kumar K (DIN: 09591694) as an Additional Director of the Company. Mr. Pradeep Kumar K is a Chemical Engineer by profession and has wide experience holding different capacities in both Holding Company and the Subsidiary Company.

The Company has received a notice as envisaged under Section 160(1) of the Act proposing him for appointment as a Director of the Company.

The Board of Directors recommends the Resolution as set out at Item No. 5 of the Notice for approval by the Members of the Company as an Ordinary Resolution.

None of the Directors, Key Managerial Personnel and relatives, except Mr. Pradeep Kumar K and his relatives are concerned or interested, financially or otherwise, in the said Resolution mentioned at Item No. 5 of the Notice.

**Item No. 6: Approval for entry into Related Party Transactions by the Company**

The Companies Act, 2013 aims to ensure transparency in the transaction and dealings between related parties of the Company. The provisions of Section 188 (1) of the Companies Act,

2013 that govern the Related Party Transactions, require that for entering into any contract or arrangement as mentioned therein, with the Related Party(s), the Company must obtain prior approval of the Board of Directors.

As per provisions of Section 188 of Companies Act, 2013 and Rules thereunder amended, if the value of the sale transactions together with the value of transactions entered so far during the year amounts to 10% or more of the turnover of the Company as per the previous audited financial statement in respect of Related Party, the Company has to obtain prior approval of Shareholders by way of Ordinary Resolution.

Further third proviso of Section 188 (1) provides that nothing in that Sub-Section shall apply to any transaction entered into by the Company in its ordinary course of business other than transactions which are not on an arm's length basis.

In the light of the provisions of the Act, the Board of Directors of your Company has approved the proposed transactions along with the limits that the Company may enter into with its related parties for the period 01.10.2022 to 30.09.2023.

All the prescribed disclosures as required to be given under the provisions of the Companies Act, 2013 and the Rules thereunder are given below in tabular format for kind perusal of member's approval:

**Particulars of Related Party Transactions proposed to be entered during 01.10.2022 to 30.09.2023 for the purpose of approvals U/s. 188 of the Companies Act, 2013**

Name of the Related Party	Director/KMP related	Nature of Relationship	Nature of Transactions	Period of Transaction	Maximum value of Transaction (₹ In Lakhs)
Nitta Gelatin Inc., Japan	Dr. Shinya Takahashi	Principal Employee of Nitta Gelatin Inc., Japan	Sale of goods/availing of service	01.10.2022 to 30.09.2023	4500
Nitta Gelatin India Limited	Mr. Philip Chacko M	Managing Director of Nitta Gelatin India Limited			3000
	Dr. Shinya Takahashi	Director-Technical (Whole Time Director)			3000
	Mr. P. Sahasranaman	Chief Financial Officer of Nitta Gelatin India Limited			100

Kochi  
04.05.2022

By Order of the Board  
Sd/-  
P. Sahasranaman  
Director  
(DIN: 07644126)

**DETAILS OF DIRECTORS SEEKING APPOINTMENT/APPROVAL OF TERMS OF APPOINTMENT AS REQUIRED UNDER SECRETARIAL STANDARDS- 2**

Name	Philip Chacko M	Pradeep Kumar K	P. Sahasranaman
DIN	01219764	09591694	07644126
Age (Years)	51	52	52
Date of appointment/re-appointment	04.02.2022	04.05.2022	03.11.2016
Qualification	B Tech (Civil)	B Tech (Chemical)	Chartered Accountant
Expertise	Technical and Finance	Technical	Finance
Other Directorships excluding Foreign Companies	Managing Director of Nitta Gelatin India Limited	Nil	Nil
Member/Chairman of Committees of other Companies	Nil	Nil	Nil
Relationship, if any, between Directors interse	Nil	Nil	Nil
Shareholding in the Company	Nil	Nil	Nil

## DIRECTORS' REPORT

To,

The Shareholders,

Your Directors present the 25th Annual Report and Audited Accounts of the Company for the year ended 31st March, 2022.

The Accounts have been drawn up in accordance with Indian Accounting Standards (Ind AS) as required by the Companies Act, 2013.

### FINANCIAL HIGHLIGHTS

₹ In Lakhs

Particulars	Current Year	Previous Year
Profit/(Loss) before depreciation	1,529	466
Less: Depreciation	77	72
Profit/(Loss) before Tax	1,452	394
Income Tax Current Year	367	99
Tax for prior years	0	(14)
Less: Deferred Tax	(6)	2
Net Profit/ (Loss) for the period	1,091	307
Other comprehensive income not taken for the period	(11)	34
Total comprehensive income	1,080	341

### REVIEW OF OPERATIONS

The Company processed 11,856 of Crushed Bone as against 9,691 MT during the previous year. Profit/ (Loss) before tax for the current year was ₹ 1,452 Lakhs as against ₹ 394 Lakhs in the previous year. The Company has successfully operated the production and sales of its products and has become an independent manufacturing unit.

### OUTLOOK

During the FY 2021-22, the COVID-19 pandemic situation was bit normalized and the business operations were restored. India, is now on its path to recovery. Our Company is acting on sustainability of operations through various operational excellence initiatives. The Company is striving towards realizing its vision of emerging as one of the best Ossein manufacturing facility through the implementation of a systematic operational excellence initiative. Cost reduction activities are being strengthened to become cost competitive Ossein manufacturer in the near future.

Maharashtra Pollution Control Board vide its Order dated 30.12.2021 has renewed your Company's 'Consent to Operate' for the period up to October 2025.

### SHARE CAPITAL

The Authorised and Paid up Capital Share Capital of your Company as on 31st March, 2022 was ₹ 4,25,00,000/- (Rupees Four Crores Twenty Five Lakhs) comprising of 42,50,000 Equity Shares of ₹ 10/- each.

### DIVIDEND

The Board has recommended a dividend of ₹ 13.5/- per share on 42,50,000 Equity Shares amounting to ₹ 573.75 Lakhs for the year ended 31.03.2022, subject to approval of the members at the ensuing Annual General Meeting. This dividend shall be out of the current year profits of the Company.

### RESERVES

No amount has been transferred to reserves during the year. As on 31.03.2022, the balance in retained earnings is ₹ 1,973 Lakhs, General Reserve ₹ 174 Lakhs and Cash flow Hedge Reserve Loss of ₹ 60 Lakhs totaling to ₹ 2,087 Lakhs in other equity of the Company.

### DIRECTORS

1. Mr. Sajiv K. Menon, Chairman & Director completed his tenure on 31.03.2022, whereupon, Mr. Philip Chacko M (DIN: 01219764) joined the Board as an Additional Director w.e.f 04.02.2022 and hence being proposed to be appointed as Director at this Annual General Meeting.
2. Consequent to superannuation of Mr. M. A. Xavier (DIN: 07117456) on 30.04.2022, Mr. Pradeep Kumar K joined the Board as an Additional Director w.e.f. 04.05.2022 and hence being proposed to be appointed as Director at this Annual General Meeting.
3. Under the provisions of the Articles of Association of the Company and as per the provisions of Section 152(6) of the Companies Act, 2013, 1/3rd



of the total number of Directors who are liable to retire by rotation, are to retire at each Annual General Meeting. Accordingly, it is proposed that Mr. P. Sahasranaman (DIN: 07644126), Director may retire at the 25th Annual General Meeting, and he is eligible for re-appointment.

**MEETINGS OF BOARD OF DIRECTORS**

During the year, four (4) Board Meetings were held on 05.05.2021, 30.07.2021, 03.11.2021 and 04.02.2022. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

The attendance of Directors at the Meeting(s) are as follows:

Name of Directors	Category	No. of Meetings attended/ held
Mr. Sajiv. K. Menon	Chairman & Director	4/4
Dr. Shinya Takahashi	Director	4/4
Mr. P. Sahasranaman	Director	4/4
Mr. M. A. Xavier	Director	4/4

**CORPORATE SOCIAL RESPONSIBILITY (CSR)**

Your Company has formulated a policy aimed at providing focus and direction to the various activities on CSR. The Company is committed to identifying and supporting programmes aimed at such of the sectors, a brief indication of which has been outlined in **Annexure I** forming part of this report. The Company is committed to identifying and supporting programmes aimed at:

- Empowerment of the disadvantaged/weaker sections of the society through education, skill development and the like;
- Provision of access to basic necessities like healthcare, drinking water & sanitation;
- Supporting environmental and ecological balance through afforestation, soil conservation, conservation of flora and similar programmes;
- Promotion of sports through training of sports persons;
- Rural development projects, etc.

The CSR projects undertaken by the Company are in accordance with Schedule VII of the Companies Act, 2013 which is given in the **Annexure I**.

**ANNUAL RETURN**

The Company has a website <https://www.bamniproteins.com/> where the annual return of

the Company will be published complying with the provisions of Section 134 (3) (a) of the Companies Act 2013.

**RELATED PARTY TRANSACTIONS**

Details of Related Party Transactions during 01.04.2021 to 31.03.2022 are furnished as **Annexure II** in Form AOC-2.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

Nil

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO.**

The information as required under Section 134 of the Companies Act, 2013 read with Rule 8 (3) (A) of the Companies (Accounts) Rules, 2014 is as **Annexure III**.

**PARTICULARS OF EMPLOYEES**

None of the employees of the Company are in receipt of remuneration in excess of limits specified under Sub Clause 2, Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

**INDUSTRIAL RELATIONS**

The industrial relations remained cordial throughout the year.

**DIRECTORS RESPONSIBILITY STATEMENT**

As per the provisions of Section 134(5) of the Companies Act, 2013, your Directors confirm that:

1. in the preparation of the annual accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
2. the Directors had selected such Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
3. the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. the Directors had prepared the annual accounts on a going concern basis; and
5. the Directors had devised proper systems to ensure compliance with the provisions of all



applicable laws and that such systems were adequate and operating effectively.

**DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013.**

Your Company has always believed in providing a safe and harassment free workplace for every individual working and associating with the Company, through various interventions and practices. The Company always endeavours to create and provide an environment that is free from discrimination and harassment including sexual harassment. A three member Internal Complaints Committee (ICC) is constituted with one external lady member. ICC is responsible for redressal of complaints relating to sexual harassment, as envisaged under the provisions of Act and Rules. Hitherto no complaints were received by ICC.

**STATUTORY AUDITORS**

M/s. Walker Chandiook & Co LLP (WCL LLP) Chartered Accountants (Firm Registration No. 001076N/ N500013) who were appointed as Statutory Auditors of the Company for a 5 year term at the Annual General Meeting in the year 2018-19 continues to hold office for the year 2021- 22 also. Hence, no specific item regarding the appointment is put up for transaction at the forthcoming Annual General Meeting and the Notice for the Meeting makes no such mention as part of Ordinary Business.

**INTERNAL AUDIT**

The Internal Audit of the Company is carried out by M/s. Kumar and Jayakrishnan, Chartered Accountants, Nagpur. They carry out the audit on a quarterly basis and submit the report to the Board of Directors. The Board of Directors review the audit points along with management response and the Action Taken Report on the past Internal Audit points in their quarterly Board meeting and suggest corrective action for improvement in process areas.

**INTERNAL CONTROLS OF FINANCIAL REPORTING**

The Company has in place adequate financial controls commensurate with the size, scale and complexity of its operations. During the year, such controls were tested by the management and no reportable material weakness in the design or operations was observed. The Company has policies and procedures in place for ensuring proper and efficient conduct of its business, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and timely preparation of reliable financial information. The Company has adopted Accounting Policies which

are in line with the Accounting Standards and the Companies Act and with the Generally Accepted Accounting Principles in India. The Board is of the view that appropriate procedures and controls are operating effectively and monitoring procedures are in place.

**SECRETARIAL AUDIT**

Pursuant to Regulation 24A of the SEBI (LODR) Regulations, 2015, every Material Unlisted Subsidiary shall undertake Secretarial Audit and shall annex with its Annual Report a Secretarial Audit Report given by a Company Secretary in Practice and the Company has appointed Mr. Abhilash Nediyaalil Abraham. (CP No. 14524, M. No. F10876), Company Secretary-in-practice to undertake the Secretarial Audit of the Company for FY 2021- 22. No qualification has been pointed out in the Secretarial Audit Report. The Secretarial Audit Report is annexed herewith as **Annexure IV.**

**APPLICABILITY OF COST AUDIT REQUIREMENTS**

As per the Company's (Cost Records and Audit) Rules 2014, the Company's products are not covered under Cost Audit and the Company maintains the relevant cost records for the products for which the maintenance of cost record is required as per the above Rules.

**MATERIAL POST BALANCE SHEET EVENTS**

The Company has made an assessment of the business situation and has evaluated the possible impact of the outbreak of COVID-19 on its business. Though the Government has classified the Company's operations as part of "essential services" and has exempted the Company from lockdown restrictions, the Company's operations have been impacted due to inadequate availability of raw materials and other necessary items. The Board has reasonable expectation that the Company will be able to continue its operations and meets its liabilities as they fall due over the period of assessment.

**ACKNOWLEDGMENT**

Your Directors place on record their gratitude to the Government of Maharashtra, Nitta Gelatin India Limited, the holding Company, Nitta Gelatin Inc., Japan, Kerala State Industrial Development Corporation Ltd. and the Company's Bankers for their co-operation and support. They also wish to acknowledge the valuable contribution of the employees of the Company at all levels.

For and on behalf of the Board

Sd/-  
Philip Chacko M  
Chairman  
(DIN: 01219764)

Kochi  
04.05.2022

## ANNEXURE I

### ANNUAL REPORT ON CSR ACTIVITIES FOR FINANCIAL YEAR 2021- 22

1. Brief outline on CSR Policy of the Company:

- Empowerment of the disadvantaged / weaker sections of the society through education, skill development etc.;
- Providing basic necessities like healthcare, drinking water & sanitation;
- Supporting environmental and ecological balance through afforestation, soil conservation, conservation of flora and similar programmes;
- Promotion of sports through training of sports persons;
- Rural development projects; etc.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Nature of Directorship	No. of Meetings held	No. of Meetings attended
1	Mr. M.A. Xavier	Director	1	1
2	Mr. P. Sahasranaman	Director	1	1

3. Provide the web-link where Composition of CSR Committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company: <http://www.barniproteins.com/>

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of Sub-Rule (3) of Rule 8 of the Companies (Corporate Social

responsibility Policy) Rules, 2014, if applicable (attach the report) - N.A.

5. Details of the amount available for set off in pursuance of Sub-Rule (3) of Rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: N.A.

6. Average net profit of the Company as per Section 135(5).

Particulars	Amount (in ₹)
Profit before taxes F Y 2018-19	11,65,77,744
Profit before taxes F Y 2019-20	8,48,74,649
Profit before taxes F Y 2020-21	3,94,22,407
Average Profit before taxes for the last 3 years	8,02,91,601

7. (a) Two percent of average net profit of the Company as per Section 135(5) – ₹ **16,05,832.00**  
(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years - **N.A.**

(c) Amount required to be set off for the financial year, if any - **N.A.**

(d) Total CSR obligation for the financial year (7a+7b- 7c) - ₹ **16,05,832.00**

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount.	Date of transfer
16,06,001.00	NIL	NA	NA	NIL	NA

(b) Details of CSR amount spent against ongoing projects for the financial year: **N.A.**

(c) Details of CSR amount spent other than ongoing projects for the financial year:

(d) Amount spent in Administrative Overheads: **N.A.**

(e) Amount spent on Impact Assessment, if applicable: **N.A.**

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the Project		Project duration	Amount allocated for the Project (in ₹)	Amount spent in the current Financial Year (in ₹)	Amount transferred to Unspent CSR Account for the Project as per Section 135(6) (in ₹)	Mode of Implementation- Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR No.
1(A)	Education	1(ii)	No	Kerala	Thrissur	1 year	1,29,460	1,29,460	Nil	No	Trust	CSR00001217
1(B)	Education	1(ii)	Yes	Kerala	Ernakulam	1 year	1,83,853	1,83,853	Nil	No	Trust	CSR00001217
2(A)	Healthcare Initiatives	1(i)	No	Kerala	Thrissur	1 year	1,23,310	1,23,310	Nil	No	Trust	CSR00001217
2(B)	Healthcare Initiatives	1(i)	Yes	Kerala	Ernakulam	1 year	66,274	66,274	Nil	No	Trust	CSR00001217
2(C)	Healthcare Initiatives	1(i)	Yes	Maharashtra	Chandrapur	1 year	37,338	37,338	Nil	No	Trust	CSR00001217
3(A)	Community Development/ Sports	vii	No	Kerala	Thrissur	1 year	52,230	52,230	Nil	No	Trust	CSR00001217
3(B)	Community Development/ Sports	vii	Yes	Kerala	Ernakulam	1 year	8,52,878	8,52,878	Nil	No	Trust	CSR00001217
3(C)	Community Development/ Sports	vii	Yes	Maharashtra	Chandrapur	1 year	1,60,658	1,60,658	Nil	No	Trust	CSR00001217

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) ₹ **16,06,001.**

(g) Excess amount for set off, if any: **NIL**

9. (a) Details of Unspent **CSR** amount for the preceding three financial years: **N.A.**

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): **N.A.**

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: **NIL**

**(Asset-wise details)**

(a) Date of creation or acquisition of the capital asset(s) **N.A.**

(b) Amount of CSR spent for creation or acquisition of capital asset **N.A.**

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc **N.A.**

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset) **N.A.**

11. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per Section 135(5). **N.A.**

Sd/-  
P. Sahasranaman  
Director  
DIN: 07644126

Sd/-  
Pradeep Kumar K  
Director  
DIN: 09591694

Kochi  
04.05.2022

## ANNEXURE II

### Form No. AOC-2

(Pursuant to Clause (h) of Sub-Section (3) of Section 134 of the Act and Rule 8(2)  
of the Companies (Accounts) Rules, 2014)

**Form for disclosure of particulars of contracts/arrangements entered into by the Company with Related Parties referred to in Sub-Section (1) of Section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto**

**1. Details of contracts or arrangements or transactions not at arm's length basis**

- a) Name(s) of the related party and nature of relationship: NA
- b) Nature of contracts/arrangements/ transactions: NA
- c) Duration of the contracts/arrangements/ transactions: NA
- d) Salient terms of the contracts or arrangements or transactions including the value, if any: NA
- e) Justification for entering into such contracts or arrangements or transactions: NA
- f) Date(s) of approval by the Board
- g) Amount paid as advances, if any: NA
- h) Date on which the special resolution was passed in general meeting as required under first proviso to Section 188: NA

**2. Details of material contracts or arrangement or transactions at arm's length basis**

- a) Name(s) of the related party and nature of relationship: Nitta Gelatin India Ltd
- b) Nature of contracts/arrangements/ transactions: Sale of Ossein/Payment of support fees and guarantee commission
- c) Duration of the contracts/arrangements/ transactions: 01.04.2021 to 31.03.2022
- d) Salient terms of the contracts or arrangements or transactions including the value, if any:

- (i) Sales of Ossein - ₹ 1,530 Lakhs
  - ii) Other Sales/Income - ₹ 14 Lakhs
  - iii) Support fees paid - ₹ 95 Lakhs
  - iv) Guarantee Commission - ₹ 11 Lakhs
  - v) Other expenses - ₹ 20 Lakhs
- e) Date(s) of approval by the Board, if any: 05.05.2021, 30.07.2021, 03.11.2021 and 04.02.2022
  - f) Amount paid as advances, if any: NIL

**Details of material contracts or arrangement or transactions at arm's length basis**

- a) Name(s) of the related party and nature of relationship: Nitta Gelatin Inc., Japan
- b) Nature of contracts/arrangements/ transactions: Sale of Ossein
- c) Duration of the contracts/arrangements/ transactions: 01.04.2021 to 31.03.2022
- d) Salient terms of the contracts or arrangements or transactions including the value, if any:
  - (i) Processing Charges: NIL
  - (ii) Sales of Ossein- ₹ 4,926 Lakhs
- e) Date(s) of approval by the Board, if any: 05.05.2021, 30.07.2021, 03.11.2021 and 04.02.2022.
- f) Amount paid as advances, if any: NIL

Kochi  
04.05.2022

For and on behalf of the Board  
Sd/-  
Philip Chacko M  
Chairman  
(DIN: 01219764)

## **ANNEXURE III**

### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

[Section 134(3)(m) of The Companies Act, 2013 read with Rule 8(3) of The Companies (Accounts) Rules, 2014]

#### **A Conservation of Energy**

##### **A. Energy Conservation Measures Taken in 2021- 2022**

1. Improved the DCP feed rate to 0.99 MT/Hr whereas it was 0.97MT/Hr in 20-21. This has resulted in power saving of 17547 KWH/Annum.
2. Re-scheduled the operation of aerators in aeration tank at ETP based on the DO (Dissolved Oxygen) value. This has resulted in power saving of 65700 KWH/Annum.
3. Effective utilization of Biogas 16.36Hrs/Day whereas 12 Hrs/Day in 20-21. This has resulted in Bamboo dust/Saw dust of 55MT/Annum.
4. Installation of low capacity pump in DCP filtration for transferring slurry to DCP filter drum. This has resulted in power saving of 8833 KWH/Annum.
5. Reduction in RPM from 1113 to 1008 RPM for CB charging pump resulted in power saving of 9310 KWH/Annum.
6. Repositioning of Allana CB screw conveyor & directed in CB sump tank resulted in power saving 1830 KWH/Annum.
7. Replaced the existing Ossein Drying Blower fan and connected motor no. 5 with energy efficient blower and motor resulted in increased air volume indirectly improves fuel consumption.
8. Inter linking of cooling tower fan with Resistance Temperature Detector (RTD) of temperature controller of chillier condenser inlet water. This cooling tower fan automatically control the water temperature (30-34) has resulted in saving of 2588 KWH/Annum during winter season.

9. Replaced conventional type light by LED light (30 nos)-saved 3000 KWH per Annum.

##### **B. Proposal for energy saving during the year 2022- 2023**

1. Power reduction by 15 HP \* 24 Hrs by direct use of Bore well water for Ossein washing by Paddle washer. Expected saving of 98024 KWH/Annum.
2. Replacement of convention type light by LED light (10 nos). Expected saving of 1000 KWH/Annum.
3. Replacement of high power consuming motor – 1no, by energy efficient motor.
4. Indirect water heating system for use of hot water in CB degreasing. Expected saving in Energy content in Flash steam.
5. Study the suitability for Solar power for Office use. Expected Saving in commercial units used for office.
6. Enhance & utilization of biogas generation by repairing existing conventional biogas Digester. Expected use of biogas 16 Hrs & above per Day.

##### **(a) Technology Absorption**

The technology for Ossein, Limed Ossein and Di Calcium Phosphate is being updated to be in line with Nitta Gelatin India Standards and efforts are being put in continuously towards technology up gradation.

##### **(b) Expenditure on R&D**

Revenue expenditure – Nil

Capital Expenditure – Nil

##### **(c) Foreign Exchange Earnings and Outgo**

Earnings from Sales - ₹ 4,926 Lakhs

Out go Dividend - ₹ 33.75 Lakhs

**FORM 'A'**  
**FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT**  
**TO CONSERVATION OF ENERGY**

		Current Year 2021-2022	Previous Year 2020-2021
<b>A. Power &amp; Fuel Consumption</b>			
1	Electricity		
	(a) Purchased		
	Units (KWH in Lakhs)	41.37	40.26
	Total Amount (₹ In Lakhs)	321.00	311.79
	Rate/Unit (₹)	7.76	7.74
	(b) Own generation		
	(i) Through Diesel Generator Units (KWH in lacs)	0.19	0.21
	Unit per litre of diesel oil	3.26	3.38
	Cost per unit (₹)	28.02	22.07
	(ii) Through steam turbine / generator		
2	Firewood/Coal		
	Quantity (MT)	3211	2761
	Total cost (₹ in Lakhs)	104.63	89.51
	Average Rate (₹/MT)	3259	3242
3	Bamboo/Wood Dust		
	Quantity (MT)	1855	1807
	Total cost (₹ in Lakhs)	52.48	48.76
	Average Rate (₹/MT)	2829	2698
4	Furnace Oil		
	Quantity (KL)	-	-
	Total cost (₹ in Lakhs)		
	Average Rate (₹/KL)	-	-
5	Others/Internal generation	-	-
<b>B. Consumption per unit of production:</b>			
Product - Ossein			
1	Electricity (KWH/MT)	1546.49	1838.81
2	Coal/Firewood (MT/MT)	1.21	1.25
3	Bamboo dust (MT/MT)	0.00	0.01
Product - Di Calcium Phosphate			
1	Furnace Oil/Diesel (KL/MT)	0.00	0.068
2	Bamboo dust (MT/MT)	0.31	0.35

For and on behalf of the Board

Sd/-  
Philip Chacko M  
Chairman  
(DIN: 01219764)

Kochi  
04.05.2022

## ANNEXURE IV FORM NO.MR-3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022

[Pursuant to Regulation 24 A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015]

To

The Members,  
Bamni Proteins Limited  
CIN: U24231KL1997PLC011971  
56/715, SBT Avenue, Panampilly Nagar,  
Ernakulam - 682036.

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Bamni Proteins Limited** (hereinafter called the Company), CIN: U24231KL1997PLC011971, 50/1002, SBT Avenue, Panampilly Nagar, Ernakulam - 682 036. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2022 complied with statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent ,in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31st March, 2022 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 (SCRA) and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial

Borrowings **(Not applicable to the Company during audit period);**

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of shares and Takeovers) Regulations, 2011 **(Not applicable to the Company during audit period);**
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 **(Not applicable to the Company during audit period);**
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. **(Not applicable to the Company during audit period).**
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. **(Not applicable to the Company during audit period)**
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not applicable to the Company during audit period);**
  - (f) The Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange board of India (Delisting of Equity shares) Regulations, 2009 **(Not applicable to the Company during audit period);** and
  - (h) The Securities and Exchange Board of India (Buy back of Securities) Regulations, 1998 **(Not applicable to the Company during audit period);**
  - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 to the extent of Regulation 24 A;



(vi) The following other laws as may be applicable specifically to the Company;

- (a) The Petroleum Act, 1934 and Rules and Regulations issued thereunder.
- (b) The Hazardous Waste (Management, Handling and Transboundary Movement) Rules, 2008

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standard on meetings of the Board of Directors (SS-1) and Secretarial Standard on General Meetings (SS-2) and Secretarial Standard on Dividend (SS-3) issued by the Institute of Company Secretaries of India.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non -Executive Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried

UDIN: F010876D000148607

C.P. No.: 14524

Unique Code No. I2015KE2046800

PR No. 728/2020

Date: 18.04.2022

Place: Kochi

out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through, while dissenting members' views are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws including general laws, labour laws, competition law, environmental laws and Rules, Regulations, and Guidelines.

The Company has not undertaken any event/action which would have a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc. referred to above during the period under review.

Sd/-

ABHILASH NEDIYALIL ABRAHAM

B.B.A, LL.B, F.C.S

Practising Company Secretary

M.No. F10876, C.P. No. 14524

Bldg No. 46/2504-b, Haritha Road,

Vennala, Kochi-682028

This Report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this Report.



## ANNEXURE A

To

The Members,  
Bamni Proteins Limited  
CIN: U24231KL1997PLC011971  
56/715, SBT Avenue, Panampilly Nagar,  
Ernakulam, Kochi-682 036.

My report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices followed, provide a reasonable basis for my opinion.
3. I have not verified the correctness and

UDIN: F010876D000148607

C.P. No.: 14524

Unique Code No. I2015KE2046800

PR No. 728/2020

Date: 18.04.2022

Place: Kochi

appropriateness of financial records and Books of Accounts of the Company. Further, I have carried out the Audit in accordance with the Guidance to Members in Practice to carry out professional assignments during Covid -19 pandemic issued by the Institute of Company Secretaries of India (ICSI) as well as in accordance with Covid-19 protocol issued by Govt. Authorities.

4. Wherever required, I have obtained the Management representation about the compliance of laws, rules, and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Sd/-

ABHILASH NEDIYALIL ABRAHAM

B.B.A, LL.B, F.C.S

Practising Company Secretary

M.No. F10876, C.P. No. 14524

Bldg No. 46/2504-b, Haritha Road,

Vennala, Kochi-682028

## INDEPENDENT AUDITOR'S REPORT

### To the Members of Bamni Proteins Limited

### Report on the Audit of the Financial Statements

#### Opinion

1. We have audited the accompanying financial statements of Bamni Proteins Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

#### Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Information other than the Financial Statements and Auditor's Report thereon

4. The Company's Board of Directors are responsible for the other information. Other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

The Annual Report is not made available to us at the date of this auditor's report. We have nothing to report in this regard.

#### Responsibilities of Management and Those Charged with Governance for the Financial Statements

5. The accompanying financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS specified under section 133 of the Act and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
6. In preparing the financial statements, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Company or to cease



operations, or has no realistic alternative but to do so.

7. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

8. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
9. As part of an audit in accordance with Standards on Auditing, specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system with reference to financial statements in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
  - Conclude on the appropriateness of

management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
10. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### **Report on Other Legal and Regulatory Requirements**

11. Based on our audit, we report that the Company has not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable.
12. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
13. Further to our comments in Annexure I, as required by section 143(3) of the Act based on our audit, we report, to the extent applicable, that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying financial statements;
  - b) in our opinion, proper books of account as required by law have been kept by the

Company so far as it appears from our examination of those books;

- c) The financial statements dealt with by this report are in agreement with the books of account;
- d) in our opinion, the aforesaid financial statements comply with Ind AS specified under section 133 of the Act;
- e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of section 164(2) of the Act;
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company as on 31 March 2022 and the operating effectiveness of such controls, refer to our separate report in Annexure II wherein we have expressed an unmodified opinion; and
- g) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
  - i. the Company, does not have any pending litigation which would impact its financial position as at 31 March 2022;
  - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2022.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2022;
- iv.
  - a. The management has represented that, to the best of its knowledge and belief, as disclosed in note 3.40 (e) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any persons or entities, including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified

in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

- b. The management has represented that, to the best of its knowledge and belief, as disclosed in note 3.40 (e) to the financial statements, no funds have been received by the Company from any persons or entities, including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
- v. The final dividend paid by the Company during the year ended 31 March 2022 in respect of such dividend declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.  
  
As stated in note 3.12.04 to the accompanying financial statements, the Board of Directors of the Company have proposed final dividend for the year ended 31 March 2022 which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

**For Walker Chandiook & Co LLP**  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

**Krishnakumar Ananthasivan**  
Partner  
Membership No.: 206229  
UDIN: 22206229AINBRF4651

**Place:** Kochi  
**Date:** 4 May 2022



## **Annexure I referred to in Paragraph 12 of the Independent Auditor's Report of even date to the members of Bamni Proteins Limited on the financial statements for the year ended 31 March 2022**

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.  
(B) The Company has maintained proper records showing full particulars of intangible assets.
  - (b) The property, plant and equipment have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of physical verification program adopted by the Company, is reasonable having regard to the size of the Company and the nature of its assets.
  - (c) The title deeds of all the immovable properties held by the Company are held in the name of the Company.
  - (d) The Company has not revalued its property, plant and equipment or intangible assets during the year.
  - (e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Accordingly, reporting under clause 3(i)(e) of the Order is not applicable to the Company.
  - (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed.  
(b) The Company has a working capital limit in excess of Rs 5 crore sanctioned by banks based on the security of current assets. The quarterly statements, in respect of the working capital limits have been filed by the Company with such banks and such statements are in agreement with the books of account of the Company for the respective periods, which were not subject to audit.
- (iii) The Company has not made any investment in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or any other parties during the year. Accordingly, reporting under clause 3(iii) of the Order is not applicable to the Company.
  - (iv) The Company has not entered into any transaction covered under sections 185 and 186 of the Act. Accordingly, reporting under clause 3(iv) of the Order is not applicable to the Company.
  - (v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there is no amount which has been considered as deemed deposit within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.
  - (vi) The Central Government has not specified maintenance of cost records under sub-section (1) of section 148 of the Act, in respect of Company's products. Accordingly, reporting under clause 3(vi) of the Order is not applicable.
  - (vii) (a) In our opinion, and according to the information and explanations given to us, the Company is regular in depositing undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.  
(b) According to the information and explanations given to us, there are no

## Annexure I referred to in Paragraph 12 of the Independent Auditor's Report of even date to the members of Bamni Proteins Limited on the financial statements for the year ended 31 March 2022

- statutory dues referred to in subclause (a) above that have not been deposited with the appropriate authorities on account of any dispute.
- (viii) According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been recorded in the books of accounts.
- (ix)(a) According to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us including confirmations received from banks and representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or other lender.
- (c) In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of term loans during the year and there has been no utilisation during the current year of the term loans obtained by the Company during any previous years. Accordingly, reporting under clause 3(ix)(c) of the Order is not applicable to the Company.
- (d) In our opinion and according to the information and explanations given to us, and on an overall examination of the financial statements of the Company, funds raised by the Company on short term basis have not been utilised for long term purposes.
- (e) According to the information and explanations given to us, the Company does not have any subsidiaries, associates or joint ventures. Accordingly, reporting under clause 3(ix)(e) and clause 3(ix)(f) of the Order is not applicable to the Company.
- (x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year.
- Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the period covered by our audit.
- (b) No report under section 143(12) of the Act has been filed with the Central Government for the period covered by our audit.
- (c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company, with the related parties are in compliance with section 188 of the Act. The details of such related party transactions have been disclosed in the financial statements etc., as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act. Further, according to the information and explanations given to us, the Company is not required to constitute an audit committee under section 177 of the Act.
- (xiv) (a) According to the information and explanations given to us, the Company is not required to have an internal audit system under section 138 of the Act. However, the Company has



## **Annexure I referred to in Paragraph 12 of the Independent Auditor's Report of even date to the members of Bamni Proteins Limited on the financial statements for the year ended 31 March 2022**

an internal audit system, the scope and coverage of which, in our opinion, needs to be enhanced considering the size and nature of its business.

- (b) We have considered the reports issued by the Internal Auditors of the Company till date for the period under audit.
- (xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with them and accordingly, provisions of section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clause 3(xvi) of the Order is not applicable to the Company.
- (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities during the year without a valid Certificate of Registration (CoR) from the RBI as per the Reserve Bank of India Act, 1934.
- (c) According to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the RBI. Accordingly, reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC.
- (xvii) The Company has not incurred any cash loss in the current as well as the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.
- (xix) According to the information and explanations given to us and on the basis of the financial

ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the plans of the Board of Directors and management, we are of the opinion that no material uncertainty exists as on the date of the audit report that Company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

- (xx) According to the information and explanations given to us, the Company does not have any unspent amount in respect of any ongoing or other than ongoing project as at the expiry of the financial year. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.
- (xxi) The reporting under clause 3(xxi) is not applicable in respect of audit of financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

**For Walker Chandiook & Co LLP**  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

**KrishnaKumar Ananthasivan**  
Partner  
Membership No.: 206229  
UDIN: 22206229AINBRF4651

Place: Kochi  
Date: 4 May 2022



## Annexure II to the Independent Auditor's Report of even date to the members of Bamni Proteins Limited on the financial statements for the year ended 31 March 2022

### ANNEXURE II

#### Independent Auditor's Report on the internal financial controls with reference to the financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the financial statements of Bamni Proteins Limited ('the Company') as at and for the year ended 31 March 2022, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

#### **Responsibilities of Management and Those Charged with Governance for Internal Financial Controls**

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Control over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements**

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. Those Standards and the Guidance Note require that we comply

with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

#### **Meaning of Internal Financial Controls with Reference to Financial Statements**

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in



## **ANNEXURE II**

### **Independent Auditor's Report on the internal financial controls with reference to the financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act') (cont'd)**

accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls with Reference to Financial Statements**

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the ICAI.

For **Walker Chandiook & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

**Krishnakumar Ananthasivan**

Partner

Membership No.:206229

UDIN: 22206229AINBRF4651

Place: Kochi

Date: 4 May 2022

## Bamni Proteins Limited

### Balance Sheet as at 31 March 2022

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	Note	As at 31 March 2022	As at 31 March 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
a. Property, plant and equipment	3.01	482.69	465.71
b. Capital work-in-progress	3.01	-	5.81
c. Other intangible assets	3.01	8.80	8.85
d. Financial assets			
i. Other financial assets	3.02	41.38	42.88
e. Deferred tax assets (net)	3.03	28.20	18.39
f. Income tax assets (net)	3.04	57.71	16.71
g. Other non-current assets	3.05	-	6.54
		<b>618.78</b>	<b>564.89</b>
<b>Current assets</b>			
a. Inventories	3.06	1,198.19	1,008.57
b. Financial assets			
i. Trade receivables	3.07	1,438.64	1,005.99
ii. Cash and cash equivalents	3.08	194.59	22.44
iii. Bank balances other than (ii) above	3.09	14.76	8.73
iv. Other financial assets	3.10	6.40	17.24
c. Other current assets	3.11	127.89	26.69
		<b>2,980.47</b>	<b>2,089.66</b>
		<b>3,599.25</b>	<b>2,654.55</b>
<b>Total Assets</b>			
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
a. Equity share capital	3.12	425.00	425.00
b. Other equity	3.13	2,087.09	1,219.17
		<b>2,512.09</b>	<b>1,644.17</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
a. Provisions	3.14	54.66	73.59
		<b>54.66</b>	<b>73.59</b>
<b>Current liabilities</b>			
a. Financial liabilities			
i. Borrowings	3.15	649.27	535.81
ii. Trade payables	3.16		
a) total outstanding dues of micro enterprises and small enterprises; and		68.53	101.21
b) total outstanding dues of creditors other than micro and small enterprises		263.98	248.59
iii. Other financial liabilities	3.17	-	5.66
b. Other current liabilities	3.18	10.69	9.27
c. Provisions	3.19	23.62	22.14
d. Current tax liability (net)	3.20	16.41	14.11
		<b>1,032.50</b>	<b>936.79</b>
		<b>1,087.16</b>	<b>1,010.38</b>
		<b>3,599.25</b>	<b>2,654.55</b>
<b>Total Equity and Liabilities</b>			

See accompanying notes forming part of these financial statements.

This is the Balance Sheet referred to in our report of even date

For **Walker Chandio & Co LLP**  
Chartered Accountants  
Firms Registration no: 001076N/N500013

For and on behalf of the Board of Directors of  
**Bamni Proteins Limited**

**Krishnakumar Ananthasivan**  
Partner  
Membership No: 206229

**Philip Chacko M**  
Chairman  
DIN: 01219764

**P. Sahasranaman**  
Director  
DIN: 07644126

Place: Kochi  
Date: 4 May 2022

## Bamni Proteins Limited

### Statement of Profit and Loss for the year ended 31 March 2022

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	Note	Year ended 31 March 2022	Year ended 31 March 2021
<b>INCOME</b>			
Revenue from operations	3.21	9,382.89	6,748.94
Other income	3.22	53.86	15.18
<b>Total Income</b>		<b>9,436.75</b>	<b>6,764.12</b>
<b>EXPENSES</b>			
Cost of material consumed	3.23	6,270.18	4,876.08
Changes in inventories of finished goods and work-in-progress	3.24	(43.25)	(135.57)
Employee benefits expenses	3.25	561.79	548.29
Finance cost	3.26	13.44	9.08
Depreciation and amortisation expenses	3.01	77.25	71.50
Other expenses	3.27	1,105.04	1,000.52
<b>Total expenses</b>		<b>7,984.45</b>	<b>6,369.90</b>
<b>Profit before tax</b>		<b>1,452.30</b>	<b>394.22</b>
<b>Tax expense:</b>			
Current tax		366.63	99.45
Income tax relating to earlier years		-	(14.71)
Deferred tax (credit)/charge		(6.02)	2.01
		<b>360.61</b>	<b>86.75</b>
<b>Profit for the year</b>		<b>1,091.69</b>	<b>307.47</b>
<b>Other Comprehensive Income/(Loss)</b>			
A. Items that will not be reclassified to profit or loss:			
(a) (i) Re-measurements of loss on the defined benefit plans		(4.62)	(36.93)
(ii) Income tax relating to items that will not be reclassified to profit or loss		1.16	9.29
		<b>(3.46)</b>	<b>(27.64)</b>
B. Items that will be reclassified subsequently to profit or loss:			
(a) (i) Gain/(loss) recognised on cash flow hedges		(10.44)	81.50
(ii) Income tax relating to items that will be reclassified to profit or loss		2.63	(20.51)
		<b>(7.81)</b>	<b>60.99</b>
<b>Total Comprehensive Income for the year</b>		<b>1,080.42</b>	<b>340.82</b>
<b>Earnings per equity share:</b>			
- Basic and Diluted ₹ Per share	3.28	<b>25.69</b>	<b>7.23</b>

See accompanying notes forming part of these financial statements.

This is the Statement of Profit and Loss referred to in our report of even date.

For **Walker Chandio & Co LLP**  
Chartered Accountants  
Firms Registration no: 001076N/N500013

For and on behalf of the Board of Directors of  
**Bamni Proteins Limited**

**Krishnakumar Ananthasivan**  
Partner  
Membership No: 206229

**Philip Chacko M**  
Chairman  
DIN: 01219764

**P. Sahasranaman**  
Director  
DIN: 07644126

Place: Kochi  
Date: 4 May 2022

## Bamni Proteins Limited

## Statement of Cash Flows for the year ended 31 March 2022

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
<b>A. Cash Flows from Operating Activities</b>		
Net Profit before Tax from Profit and Loss statement	1,452.30	394.22
Adjustments for:		
Depreciation	77.25	71.50
Loss on sale of property, plant and equipment	0.96	1.46
Finance cost	13.44	9.08
Net unrealised foreign exchange gain	(1.36)	(4.02)
Interest income	(2.16)	(2.98)
Operating profit before working capital changes	1,540.43	469.26
Adjustments for working capital changes:		
(Increase)/Decrease in Trade and Other Receivables	(531.61)	118.09
Increase in Inventories	(189.62)	(159.40)
(Decrease)/Increase in Trade Payables and other Current liabilities	(15.86)	22.87
(Decrease)/Increase in Provisions	(22.07)	16.10
<b>Cash generated from Operations</b>	<b>781.27</b>	<b>466.92</b>
Direct Taxes paid	(405.34)	(88.52)
<b>Net Cash from Operating Activities</b>	<b>375.93</b>	<b>378.40</b>
<b>B. Cash Flows from Investing Activities</b>		
Purchase of property, plant and equipment (including capital advances)	(88.45)	(71.54)
Proceeds from Sale of property, plant and equipment	-	3.36
Interest Received	2.56	3.25
Investment in Bank deposit ( Net)	(4.54)	(1.07)
<b>Net Cash used in Investing Activities</b>	<b>(90.42)</b>	<b>(66.00)</b>
<b>C. Cash Flows from Financing Activities</b>		
Proceeds from borrowings	112.59	84.32
Interest paid	(13.44)	(9.08)
Dividend paid	(212.50)	(403.75)
<b>Net Cash used in Financing Activities</b>	<b>(113.35)</b>	<b>(328.51)</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>172.15</b>	<b>(16.11)</b>
<b>Cash and Cash Equivalents at beginning of the year</b>	<b>22.44</b>	<b>38.55</b>
<b>Cash and Cash Equivalents at the end of the year</b>	<b>194.59</b>	<b>22.44</b>
	<b>172.15</b>	<b>(16.11)</b>
<b>Components of Cash &amp; Cash Equivalents (Refer note No. 3.08)</b>		
Balance with banks in deposit accounts with a maturity of less than three months	194.34	22.14
Cash in hand	0.25	0.30
	<b>194.59</b>	<b>22.44</b>

## Reconciliation of liabilities arising from Financing Activities:

Particulars	As at 31 March 2021	Proceeds/ Repayments (Net)	Non cash changes	As at 31 March 2022
Short Term Borrowings	535.81	112.59	0.87	649.27

## Reconciliation of liabilities arising from Financing Activities:

Particulars	As at 31 March 2020	Proceeds/ Repayments (Net)	Non cash changes	As at 31 March 2021
Short Term Borrowings	460.33	84.32	(8.84)	535.81



## **Bamni Proteins Limited**

### **Statement of Cash Flows for the year ended 31 March 2022**

(All amounts are in ₹ Lakhs, unless otherwise stated)

The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard (Ind AS-7)-Statement of Cash Flow.

See accompanying notes forming part of these financial statements.

---

This is the Statement of Cash Flows referred to in our report of even date

For **Walker Chandio & Co LLP**  
Chartered Accountants  
Firms Registration no: 001076N/N500013

**For and on behalf of the Board of Directors of  
Bamni Proteins Limited**

**Krishnakumar Ananthasivan**  
Partner  
Membership No: 206229

**Philip Chacko M**  
Chairman  
DIN: 01219764

**P. Sahasranaman**  
Director  
DIN: 07644126

Place: Kochi  
Date: 4 May 2022

## Bamni Proteins Limited

### Statement of Changes in Equity for the Year ended 31 March 2022

(All amounts are in ₹ Lakhs, unless otherwise stated)

#### A. Equity Share Capital

Particulars	Number in Lakhs	Amount
<b>As at 1 April 2020</b>	<b>42.50</b>	<b>425.00</b>
Add: Issued and subscribed during the year	-	-
<b>As at 31 March 2021</b>	<b>42.50</b>	<b>425.00</b>
Add: Issued and subscribed during the year	-	-
<b>As at 31 March 2022</b>	<b>42.50</b>	<b>425.00</b>

#### Reconciliation for instruments entirely equity in nature

Particulars	As at 31 March 2021	Changes in Equity Share Capital due to prior period errors	Restated balance as at 31 March 2021	Changes in equity share capital during the current year	As at 31 March 2022
Equity Share Capital	425.00	-	425.00	-	425.00

#### Reconciliation for instrument entirely equity in nature

Particulars	As at 31 March 2020	Changes in Equity Share Capital due to prior period errors	Restated balance as at 31 March 2020	Changes in equity share capital during the current year	As at 31 March 2021
Equity Share Capital	425.00	-	425.00	-	425.00

#### B. Other Equity

	Reserves and Surplus		Items of Other Comprehensive Income	Total
	Retained Earnings	General Reserve		
<b>Balance as at 1 April 2020</b>	<b>1,219.53</b>	<b>145.00</b>	<b>(82.43)</b>	<b>1,282.10</b>
Profit for the year	307.47	-	-	307.47
Transferred to General Reserve	(29.00)	29.00	-	-
Re-measurements of the defined benefit plans	-	-	(27.64)	(27.64)
Cash Flow Hedging Reserve	-	-	60.99	60.99
Dividend Paid	(403.75)	-	-	(403.75)
<b>Balance as at 31 March 2021</b>	<b>1,094.25</b>	<b>174.00</b>	<b>(49.08)</b>	<b>1,219.17</b>
<b>Balance as at 1 April 2021</b>	<b>1,094.25</b>	<b>174.00</b>	<b>(49.08)</b>	<b>1,219.17</b>
Profit for the year	1,091.69	-	-	1,091.69
Re-measurements of defined benefit plans	-	-	(3.46)	(3.46)
Cash Flow Hedging Reserve	-	-	(7.81)	(7.81)
Dividend Paid	(212.50)	-	-	(212.50)
<b>Balance as at 31 March 2022</b>	<b>1,973.44</b>	<b>174.00</b>	<b>(60.35)</b>	<b>2,087.09</b>

See accompanying notes forming part of these standalone financial statements.

This is the Statement of Changes in Equity referred to in our report of even date.

For **Walker Chandiook & Co LLP**  
Chartered Accountants  
Firms Registration no: 001076N/N500013

For and on behalf of the Board of Directors of  
**Bamni Proteins Limited**

**Krishnakumar Ananthasivan**  
Partner  
Membership No: 206229

**Philip Chacko M**  
Chairman  
DIN: 01219764

**P. Sahasranaman**  
Director  
DIN: 07644126

Place: Kochi  
Date: 4 May 2022

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

(All amounts are in ₹ Lakhs, unless otherwise stated)

### 1. General Information

Bamni Proteins Limited ('the Company'), a limited company, operates in the business of manufacture and sale of ossein. The registered office of the company is located at 56/715, SBT Avenue, Panampilly Nagar, Kochi - 682 036.

### 2. Summary of significant accounting policies

#### a) Basis of accounting and preparation of Financial Statements

The Financial Statements are the separate Financial Statements of the company prepared in accordance with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act 2013, read together with the Companies ( Indian Accounting Standards) Rules, 2015 (as amended).

These financial statements have been prepared under the historical cost convention, on the accrual basis of accounting, except for certain financial assets and financial liabilities (including derivative instruments) that are measured at fair values at the end of each reporting period as explained in the accounting policies below.

The accounting policies have been applied consistently over all the periods presented in this financial statements except as mentioned below in Note 2(b).

The Financial statements are presented in Indian Rupees (₹) and all values are rounded to the nearest lakhs, except otherwise indicated.

#### b) Use of estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The Company bases its estimates and assumptions on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

### Significant management judgements

The following are significant management judgements in applying the accounting policies of the Company that have the most significant effect on the amounts recognized in the financial statements or that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

#### *Classification of leases*

The Company enters into leasing arrangements for some assets. The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialised nature of the leased asset.

#### *Recognition of deferred tax assets*

The extent to which deferred tax assets can be recognised is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carry forward can be utilised. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

#### *Evaluation of indicators for impairment of assets*

The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets. In assessing impairment, management estimates the recoverable amount of each asset or cash generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

#### *Recoverability of advances/receivables*

At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding receivables and advances.

#### *Useful lives of depreciable/amortisable assets*

Management reviews its estimate of the useful lives



**b) Use of estimates (cont'd)**

of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain items of property, plant and equipment.

*Defined benefit obligation (DBO)*

Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, medical cost trends, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

*Fair value measurements*

Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

*Uncertainties relating to the global health pandemic from COVID-19*

The market for Gelatin, Collagen peptide and DCP continues to be robust. Due to COVID-19 restrictions, availability of one of the major raw materials, Crushed Bone, for the gelatin industry continues to be lower than demand whereby the price remains at a very high level and with little attention to quality by many of the suppliers. Due to this, the gross profit margin is lower as compared to the pre-COVID-19 times. In the opinion of the management, this mismatch between demand and supply is likely to ease in future though quality issues are likely to continue for some time. In financial planning, the Company has taken into account the possible impact of COVID-19 on the operations of the Company, including but not limited to its assessment of liquidity and going concern assumption, recoverable values of its financial and non-financial assets and impact on revenues and costs. The Company has been able to effectively manage the operations till now with appropriate safety precautions, with minimal impact of COVID-19 on the plant operations. The Company will continue to closely monitor future developments and take appropriate measures to minimise any adverse impact on the profit margin and to ensure

business continuity.

**c) Current versus non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has evaluated and considered its operating cycle as 12 months.

Deferred tax assets/liabilities are classified as non-current assets/liabilities.

**d) Property, Plant and Equipment**

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalised until the property, plant and equipment are ready for use, as intended by management.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'. Subsequent expenditures relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the company and the cost of the item can be measured reliably.

The cost and related accumulated depreciation are eliminated from the financial statements upon sale

#### d) Property, plant and equipment (cont'd)

or retirement of the asset and the resultant gains or losses are recognised in the Statement of Profit and Loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

The Company depreciates Property, Plant and Equipment (other than service equipment) over their estimated useful lives using the straight-line method. Depreciation on Service Equipment and other items of Property, Plant and Equipments is provided on Written Down Value Method based on the useful lives prescribed in Schedule II of the Companies Act, 2013 based on a review by the management at the year-end.

<b>Asset Category</b>	<b>Useful lives (in years)</b>
Factory Building	30
Office Building	60
Plant and Equipment	8.4
Effluent treatment plant	5
Furniture and Fixtures	10
Office equipment	5
Vehicles	8

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components). The cost of replacement spares/major inspection relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably.

Depreciation methods, useful lives and residual values are reviewed periodically and updated as required, including at each financial year end.

#### e) Intangible assets

The Company has elected to continue with the carrying value for all of its intangible assets as recognised in its previous GAAP financial statements as deemed cost at the transition date, viz., 1 April 2016.

Intangible assets are recorded at the consideration paid for the acquisition of such assets and are carried at cost less accumulated amortisation and impairment. Advances paid towards the acquisition of intangible assets outstanding at each Balance Sheet date are disclosed as other non-current assets and the cost of intangible assets not ready for their intended use before such date are disclosed as intangible assets under development.

The Company amortises intangible over their estimated useful lives using the straight-line method.

The estimated useful lives of assets are as follows:

<b>Asset Category</b>	<b>Useful lives (in years)</b>
Computer software	5

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

The residual values, useful lives and methods of amortisation of intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

#### f) Impairment of non-financial assets

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired, based on internal or external factors. If any such indication exists, the Company estimates the recoverable amount of the asset or the cash generating unit. If such recoverable amount of the asset or cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If, at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. Impairment losses previously recognised are accordingly reversed in the Statement of Profit and Loss.

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

#### g) Revenue recognition

Revenue from contracts with customers is recognised on transfer of control of Promised goods or services to a customer at an amount that reflect the consideration to which the company is expected to be entitled to in exchange for those goods or services. Revenue towards satisfaction of a Performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that Performance obligation.

#### *Sale of goods*

Revenue from the sale of goods is recognized when

**g) Revenue recognition (cont'd)**

the control on the goods have been transferred to the customers. The Performance obligation in case of sale of goods is satisfied at a point of time, i.e., when the material is shipped to the customer or on delivery to the customer, as may be specified in the contract.

*Interest income*

Interest income is reported on an accrual basis using the effective interest method and is included under the head 'other income' in the Statement of Profit and Loss.

*Export Incentives*

Income from export incentives are recognised when the right to receive credit as per the terms of the Scheme is established and when there is certainty of realisation.

*Dividends*

Revenue is recognised when the Company's right to receive the payment is established, which is generally when Shareholders approve the dividend.

*Rental income*

Rental income arising from operating leases is accounted for over the lease terms and is included in other income in the statement of profit or loss.

**h) Employee benefits**

Employee benefits include superannuation, provident fund, employee state insurance scheme, gratuity and compensated absences. Expenses and liabilities in respect of employee benefits are recorded in accordance with Ind AS 19, Employee Benefits.

*Defined contribution plan*

The Company has defined contribution plans for employees comprising of Provident Fund and Employee's State Insurance. The contributions paid/payable to these plans during the year are charged to the Statement of Profit and Loss for the year.

*Defined benefit plan**Gratuity*

Payment of Gratuity to employees is covered by the Scheme based on the Group Gratuity cum Assurance Scheme of the SBI Life Insurance Co Ltd, which is a defined benefit scheme and the Company make contributions under the said scheme. The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets (if any). The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

*Long term employee benefits**Compensated absences*

The Company provides benefit of compensated absences under which unavailed leave are allowed to be accumulated to be availed in future. The compensated absences comprises of vesting as well as non vesting benefit. The cost of short term compensated absences are provided for based on estimates. Long term compensated absence costs are provided for based on actuarial valuation using the project unit credit method.

The present value of the defined benefit obligation denominated in ₹ Lakhs is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

Service and interest cost on the Company's defined benefit plan is included in employee benefits expense. Employee contributions, all of which are independent of the number of years of service, are treated as a reduction of service cost.

Gains and losses through re-measurements of the defined benefit plans are recognized in other comprehensive income, which are not reclassified to profit or loss in a subsequent period.

*Short-term employee benefits*

Short-term employee benefits comprise of employee costs such as salaries, bonus etc. is recognised on the basis of the amount paid or payable for the period during which services are rendered by the employee.

**i) Leases***As a lessor*

The company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use



asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the company's estimate of the amount expected to be payable under a residual value guarantee, or if company changes its assessment of whether it will exercise a purchase, extension or termination option.

#### *Short-term leases and leases of low-value assets*

The company has elected not to recognise right-of-use assets and lease liabilities for short-term leases of real estate properties that have a lease term of 12 months. The company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

#### *Finance Lease*

Leases are classified as Finance Lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the lease. All other leases are classified as Operating lease.

#### *Operating Lease*

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

#### *As a lessee*

*Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.*

#### **j) Foreign currency transactions**

##### *Functional and presentation currency*

The functional currency of the Company is the Indian Rupee. These financial statements are presented in Indian Rupees (₹)

##### *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates at the

dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in Statement of Profit or Loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation. A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as a part of the entity's net investment in that foreign operation.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Statement of Profit and Loss, within finance costs. All other foreign exchange gains and losses are presented in the Statement of Profit and Loss on a net basis within other gains/(losses).

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

#### **k) Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

#### **l) Inventories**

Inventories are valued at lower of cost or net realisable value, item wise. For this purpose, the cost of bought-out inventories comprise of the purchase cost of the items, net of applicable tax/duty credits and cost of bringing such items into the factory on a weighted average basis. The cost of manufactured inventories comprises of the direct cost of production plus appropriate overheads. The net realisable value of bought out inventories is taken at their current replacement value.

#### **m) Research and development**

Capital expenditure (net of recoveries) on Research & Development is capitalised as fixed assets and depreciated in accordance with the depreciation policy of the Company. The revenue expenditure (net of recoveries) on Research & Development is charged to the Statement of Profit and Loss in the

year in which it is incurred.

#### **n) Government grants**

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset. When the Company receives grants for non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments.

#### **o) Investments in subsidiaries**

The Company's investment in, if any, are accounted for at cost. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is transferred to the Statement of Profit and Loss. On disposal of investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Profit and Loss.

#### **p) Income taxes**

Income tax expense comprises current and deferred income tax. Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax

credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax relating to items recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognised as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to setoff the recognised amounts and where it intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Minimum Alternate Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income-tax during the specified period. In the year in which MAT credit becomes eligible to be recognized as an asset, the said asset is created by way of a credit to the statement of profit and loss. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income-tax during the specified period.

#### **q) Provisions and contingencies**

##### *Provisions*

A provision is recognised if, as a result of a past event,



#### **q) Provisions and contingencies (cont'd)**

the Company has a present legal or constructive obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

##### *Contingent liabilities*

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or it cannot be measured with sufficient reliability. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

##### *Contingent assets*

Contingent assets are neither recognised nor disclosed. However, when realisation of income is virtually certain, related asset is recognised.

#### **r) Financial instruments**

##### **Financial assets**

##### **Initial recognition and measurement**

All financial assets are recognised initially at fair value and transaction cost that is attributable to the acquisition of the financial asset is also adjusted.

##### **Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in four categories:

- i. Debt instruments at amortised cost;
- ii. Debt instruments at fair value through other comprehensive income (FVOCI);
- iii. Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL); and
- iv. Equity investments.

##### *i. Debt instruments at amortised cost*

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and
- b) Contractual terms of the asset give rise on specified

dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

##### *ii. Debt instrument at FVOCI*

A 'debt instrument' is classified as at the FVOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets; and
  - b) The asset's contractual cash flows represent SPPI.
- Debt instruments included within the FVOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the Company recognises interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of profit & loss. Interest earned whilst holding FVOCI debt instrument is reported as interest income using the EIR method.

##### *iii. Debt instrument at FVTPL*

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVOCI, is classified as at FVTPL. In addition, the Company may elect to designate a debt instrument, which otherwise meets amortised cost or FVOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of profit and loss.

##### *iv. Equity investments*

All equity investments in scope of Ind AS 109 Financial Instruments, are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 Business Combinations, applies are classified

**r) Financial instruments (cont'd)**

as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of profit and loss.

**De-recognition of financial assets**

A financial asset (or, where applicable, a part of a financial asset) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- a. The rights to receive cash flows from the asset have expired, or
- b. The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement ₹ and either (i) the Company has transferred substantially all the risks and rewards of the asset, or (ii) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the

Company could be required to repay.

**Financial liabilities****Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

**Subsequent measurement**

The measurement of financial liabilities depend on their classification, as described below:

*Financial liabilities at fair value through profit or loss*

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109 Financial Instruments.

*Gains or losses on liabilities held for trading are recognised in the profit or loss.*

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk are recognized in OCI. These gains/loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss.

*Loans and borrowings*

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or



#### **r) Financial instruments (cont'd)**

costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings.

##### *Financial guarantee contracts*

Financial guarantee contracts are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified party fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of expected loss allowance determined as per impairment requirements of Ind AS 109 Financial Instruments and the amount recognised less cumulative amortisation.

#### **Derecognition of financial liabilities**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

#### **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

#### **Derivative financial instruments and hedge accounting**

##### *Initial recognition and subsequent measurement*

The Company uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks arising from highly probable future forecasted foreign currency loans. This derivative financial instruments are designated in a cash flow hedge relationship. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit and loss. Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss and is reclassified to underlying hedged item. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs.

#### **s) Impairment of financial assets**

In accordance with Ind AS 109 Financial Instruments, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining



**s) Impairment of financial assets (cont'd)**

contractual term of the financial instrument.

- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

*Trade receivables*

The Company applies approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of receivables.

*Other financial assets*

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition and if credit risk has increased significantly, impairment loss is provided.

**t) Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a

whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

**u) Cash and cash equivalents**

Cash and cash equivalent in the statement of financial position comprises of cash at banks and on hand, demand deposits, short-term deposits with an original maturity of three months or less and highly liquid investments that are readily convertible into known amounts of cash, which are subject to an insignificant risk of changes in value.

**v) Dividend Distribution to Equity holders of the company**

Dividend to the companies Equity Shareholders are recognized when the dividends are approved for payment by the Shareholders.

**w) Assets held for sale**

An entity shall classify a non-current asset (or disposal group) as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset and its sale is highly probable. Management must be committed to sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are presented separately and measured at the lower of their carrying amounts immediately prior to their classification as held for sale and their fair value less costs to sell. However, some held for sale assets such as financial assets, assets arising from employee benefits and deferred tax assets, continue to be measured in accordance with the Company's relevant accounting policy for those assets. Once classified as held for sale, the assets are not subject to depreciation or amortisation.

**x) Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the Managing Director/Chief Operating Decision Maker. The Company is engaged in the business of manufacture and sale of Ossein, DCP, which form broadly part of one product group and hence



constitute a single business segment.

**y) Earnings per share (EPS)**

Basic EPS is calculated by dividing the net profit or loss for the period attributable to equity Shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue to existing Shareholders, share split and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted EPS is calculated by dividing the profit attributable to equity holders of the Company (after adjusting for interest on the convertible preference

shares, if any) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

**z) Recent accounting pronouncements**

**Standards issued but not effective on Balance Sheet date:**

The Ministry of Corporate Affairs has vide notification dated 23 March 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amends certain accounting standards, and are effective 1 April 2022. These amendments are not expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

### 3.01 Property, plant and equipment (PPE) & Capital Work in Progress

Particulars	Freehold Land	Building	Plant & Equipment	Furniture and fixtures	Office equipment	Vehicles	Total PPE	Capital Work in Progress
<b>Gross carrying amount:</b>								
Balance as at 1 April 2020	29.26	197.40	398.46	1.54	7.08	12.69	646.43	8.45
Additions	-	14.21	50.15	0.03	2.03	8.18	74.60	5.81
Disposals	-	0.76	40.40	0.04	4.32	12.69	58.21	8.45
<b>Balance as at 31 March 2021</b>	<b>29.26</b>	<b>210.85</b>	<b>408.21</b>	<b>1.53</b>	<b>4.79</b>	<b>8.18</b>	<b>662.82</b>	<b>5.81</b>
Balance as at 1 April 2021	29.26	210.85	408.21	1.53	4.79	8.18	662.82	5.81
Additions	-	32.93	56.81	0.13	1.70	0.09	91.65	-
Disposals	-	0.60	17.63	1.08	0.07	-	19.37	5.81
<b>Balance as at 31 March 2022</b>	<b>29.26</b>	<b>243.17</b>	<b>447.39</b>	<b>0.57</b>	<b>6.44</b>	<b>8.28</b>	<b>735.11</b>	<b>0.00</b>
<b>Accumulated depreciation</b>								
Balance as at 31 March 2021	-	50.76	120.02	0.91	2.28	8.36	182.33	-
Depreciation charge for the year	-	15.24	48.93	0.13	2.43	1.44	68.17	-
Disposals	-	0.72	39.06	0.04	4.19	9.38	53.39	-
<b>Balance as at 31 March 2021</b>	<b>-</b>	<b>65.28</b>	<b>129.89</b>	<b>1.00</b>	<b>0.52</b>	<b>0.42</b>	<b>197.11</b>	<b>-</b>
Balance as at 1 April 2021	-	65.28	129.89	1.00	0.52	0.42	197.11	-
Depreciation charge for the year	-	15.57	52.67	0.13	2.82	2.52	73.72	-
Disposals	-	0.57	16.74	1.04	0.06	-	18.41	-
<b>Balance as at 31 March 2022</b>	<b>-</b>	<b>80.28</b>	<b>165.83</b>	<b>0.09</b>	<b>3.28</b>	<b>2.93</b>	<b>252.42</b>	<b>-</b>
<b>Net carrying amount</b>								
As at 31 March 2021	29.26	145.57	278.32	0.53	4.28	7.77	465.71	5.81
As at 31 March 2022	29.26	162.89	281.57	0.49	3.14	5.33	482.69	0.00

**Note:**

**Note 3.01.01** Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ Nil (₹ 3.09 Lakhs)

#### 3.01.01 Capital work-in-progress ageing

##### Ageing as on 31 March 2022

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

##### Ageing as on 31 March 2021

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	5.81	-	-	-	5.81
Projects temporarily suspended	-	-	-	-	-

There are no Capital Work in Progress which are overdue or has exceeded the costs compared to its original plan.

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

### 3.01.02 Other Intangible assets

Particulars	Software	Total
<b>Gross carrying amount:</b>		
<b>Balance as at 1 April 2020</b>	17.77	17.77
Additions	0.23	0.23
Disposals	-	-
<b>Balance as at 31 March 2021</b>	<b>18.00</b>	<b>18.00</b>
<b>Balance as at 1 April 2021</b>	<b>18.00</b>	<b>18.00</b>
Additions	3.48	3.48
Disposals	-	-
<b>Balance as at 31 March 2022</b>	<b>21.48</b>	<b>21.48</b>
<b>Accumulated depreciation</b>		
Amortisation for the year	3.34	3.34
Disposals	-	-
<b>Balance as at 31 March 2021</b>	<b>9.15</b>	<b>9.15</b>
<b>Balance as at 1 April 2021</b>	<b>9.15</b>	<b>9.15</b>
Amortisation for the year	3.53	3.53
Disposals	-	-
<b>Balance as at 31 March 2022</b>	<b>12.68</b>	<b>12.68</b>
<b>Net carrying amount</b>		
As at 31 March 2021	<b>8.85</b>	<b>8.85</b>
As at 31 March 2022	<b>8.80</b>	<b>8.80</b>

### 3.02 Other financial assets

Particulars	As at 31 March 2022	As at 31 March 2021
i. Security deposits	30.34	31.84
ii. Bank deposits with more than 12 months maturity	11.04	11.04
	<b>41.38</b>	<b>42.88</b>

Balance with banks in Deposit Accounts (having maturity period of more than 12 months) represents Rs 11.04 (₹ 11.04 ) held as security against Bank Guarantees.

### 3.03 Deferred Tax Assets

Particulars	As at 31 March 2022	As at 31 March 2021
<b>A. Deferred Tax Liability</b>		
Loss on cash flow hedge	-	(5.35)
<b>B. Deferred Tax Assets</b>		
Gain on cash flow hedge	(2.72)	
On excess/(Short) of income tax WDV over net book value of FA	(3.68)	2.55
On other disallowances	34.61	21.19
	<b>28.21</b>	<b>18.39</b>

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

### 3.03.01 Movement in Deferred Tax Liabilities/Assets balances during the year ended 31 March 2022

i.	Particulars	Opening Balance	Recognised in Statement of Profit & Loss	Recognised in Other Comprehensive Income	Total
	<b>A. Deferred Tax Liability</b>				
	Gain on cash flow hedge	(5.35)	-	2.63	(2.72)
	<b>B. Deferred Tax Assets</b>				
	On excess of income tax written down value over net book value of fixed assets	2.55	1.13	-	3.68
	On other disallowances	21.19	4.89	1.16	27.24
	<b>Deferred Tax Assets (Net)</b>	<b>18.39</b>	<b>6.02</b>	<b>3.79</b>	<b>28.21</b>

### Movement in Deferred Tax Liabilities/Assets balances during the year ended 31 March 2021

i.	Particulars	Opening Balance	Recognised in Statement of Profit & Loss	Recognised in Other Comprehensive Income	Total
	<b>A. Deferred Tax Liability</b>				
	Loss/(Gain) on cash flow hedge	15.16	-	(20.51)	(5.35)
	<b>B. Deferred Tax Assets</b>				
	On excess of income tax written down value over net book value of fixed assets	1.15	1.40	-	2.55
	On other disallowances	15.30	(3.40)	9.29	21.19
	<b>Deferred Tax Assets (Net)</b>	<b>31.61</b>	<b>(2.00)</b>	<b>(11.22)</b>	<b>18.39</b>

### 3.03.02 Reconciliation of Effective Tax Rate

The income tax expense for the year can be reconciled to the accounting profit as follows:

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Profit Before Tax</b>	<b>1,452.30</b>	<b>394.22</b>
<b>Income tax expense calculated at 25.17%</b>	<b>365.51</b>	<b>99.22</b>
<b>Income tax expense</b>		
Tax effect on non deductible expenses	1.32	3.57
Tax effect on eligible deductions	(1.00)	(0.96)
Tax effect on deduction claimed in earlier year	-	-
Others	(5.22)	(0.37)
<b>Total</b>	<b>360.61</b>	<b>101.46</b>
<b>Tax expense as per Statement of Profit and Loss</b>	<b>360.61</b>	<b>101.46</b>

### 3.04 Non-current tax assets

Particulars	As at 31 March 2022	As at 31 March 2021
Income Tax ( Net )	57.71	16.71
	<b>57.71</b>	<b>16.71</b>

### 3.05 Other non-current assets

Particulars	As at 31 March 2022	As at 31 March 2021
Capital Advances	-	6.54
	<b>-</b>	<b>6.54</b>

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

### 3.06 Inventories

Particulars	As at 31 March 2022	As at 31 March 2021
Raw Materials	445.01	302.50
Work-in-progress	170.80	185.14
Finished Goods	515.94	458.35
Packing material	7.85	8.14
Stores & Spares #	57.48	53.31
Loose tools	1.11	1.13
	<b>1,198.19</b>	<b>1,008.57</b>

# net of provision made for non moving inventory amounting to ₹ 0.93 Lakhs as on 31 March 2022 (31 March 2021 : ₹ 0.51 Lakhs).

Method of valuation of inventories - Refer note 2(l) of Significant Accounting Policies.

### 3.07 Trade Receivables

Particulars	As at 31 March 2022	As at 31 March 2021
Trade Receivables considered good - Unsecured:		
Considered good	1,438.64	1,005.99
Credit impaired	-	-
	1,438.64	1,005.99
Less : Loss allowance	-	-
	<b>1,438.64</b>	<b>1,005.99</b>

#### Trade receivables ageing schedule as at 31 March 2022

Particulars	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	TOTAL
(i) Undisputed Trade receivables – considered good	1,438.64	-	-	-	-	1,438.64

#### Trade receivables ageing schedule as at 31 March 2021

Particulars	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	TOTAL
(i) Undisputed Trade receivables – considered good	1,005.99	-	-	-	-	1,005.99

Trade receivables are non-interest bearing and are generally on terms of 30 to 180 days

### 3.08 Cash & Cash Equivalents

Particulars	As at 31 March 2022	As at 31 March 2021
Balance with banks - (with maturity less than three months)		
a. In Current Accounts	194.34	22.14
Cash in hand	0.25	0.30
	<b>194.59</b>	<b>22.44</b>

### 3.09 Bank Balances other than Cash and Cash Equivalents

Particulars	As at 31 March 2022	As at 31 March 2021
Balance with bank in deposit accounts- with maturity more than three months but less than 12 months)	14.76	8.73
	<b>14.76</b>	<b>8.73</b>

Balance with banks in Deposit Accounts (having maturity period of less than 12 months) represents ₹ 14.76 (₹ 8.73 ) held as security against Bank Guarantees.

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

### 3.10 Other Financial Assets

Particulars	As at 31 March 2022	As at 31 March 2021
Interest receivable	1.23	1.63
Hedge asset	5.17	15.61
	<b>6.40</b>	<b>17.24</b>

### 3.11 Other Current Assets

Particulars	As at 31 March 2022	As at 31 March 2021
Advances recoverable in kind or for value to be received	13.92	8.92
Export entitlement receivable	2.42	0.14
Balances with government authorities	111.54	17.63
	<b>127.89</b>	<b>26.69</b>

### 3.12 Equity Share Capital

Particulars	As at 31 March 2022	As at 31 March 2021
Authorised:		
42,50,000 (42,50,000) Equity Shares of ₹.10/- each	425.00	425.00
Issued and Subscribed and Fully paid:		
42,50,000 (42,50,000) Equity Shares of ₹.10/- each	425.00	425.00

#### Terms/Rights attached to Equity Shares

The company has only one class of shares referred to as equity shares with a face value of ₹. 10/- each. Each holder of equity share is entitled to one vote per share. The company declares and pays dividends in Indian Rupees. The dividend proposed/declared by the Board of Directors is subject to approval of the Shareholders' in the Annual General Meeting. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company after distribution of all preferential amounts, in proportion to the number of equity shares held by the Shareholders.

#### 3.12.01 Reconciliation of shares at the beginning and at the end of the financial year

Particulars	As at 31 March 2022		As at 31 March 2021	
	No. of Shares	Amount	No. of Shares	Amount
No. of shares as at the beginning of the F/year	4,250,000	425.00	4,250,000	425.00
No. of shares as at the end of the F/Year	4,250,000	425.00	4,250,000	425.00

#### 3.12.02 Particulars of Promoter Shareholders holding at the end of the year

Particulars	As at 31 March 2022		As at 31 March 2021	
	%	No. of Shares	%	No. of Shares
Nitta Gelatin India Ltd (Holding company)	82.35	3,500,000	82.35	3,500,000
Nitta Gelatin Inc., Japan	17.65	750,000	17.65	750,000

#### 3.12.03 Particulars of Shares held by holding company

Out of the equity shares issued by the company, shares held by its holding company are as below:

Particulars	As at 31 March 2022	As at 31 March 2021
Nitta Gelatin India Ltd 35,00,000 (35,00,000) equity shares of ₹.10/- each	350.00	350.00

#### 3.12.04 Distribution of dividend paid and proposed

Particulars	As at 31 March 2022	As at 31 March 2021
Dividends on equity shares declared and paid for the year ended 31 March 2021 (₹ 3 per equity share)	212.50	403.75
Proposed cash dividend for the year ended 31 March 2022 (₹ 13.5 per equity share)	573.75	212.50

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

### 3.13 Other Equity

Particulars	As at 31 March 2022	As at 31 March 2021
<b>A. Retained Earnings</b>		
Opening Balance	1,094.25	1,219.53
Add : Profit for the year	1,091.69	307.47
Add: Re-measurements of the defined benefit plans in Other Comprehensive Income (net of tax)		
Less: Dividend paid	(212.50)	(403.75)
Less: Corporate Dividend Tax paid	-	-
Less: Transfer to General Reserve	-	(29.00)
Closing Balance	1,973.44	1,094.25
<b>B. General Reserve</b>		
Opening Balance	174.00	145.00
Add: Transfer from retained earnings	-	29.00
Closing Balance	174.00	174.00
<b>C. Other Comprehensive Income</b>		
Opening Balance	(49.09)	(82.43)
Add: Gain/(loss) during the year	(11.26)	33.35
Closing Balance	(60.35)	(49.09)
	2,087.09	1,219.17

**3.13.01** Final Dividend of ₹13.50 (₹ 5/-) per share for the financial year 2021-22 is proposed by the Board of Directors and is subject to the approval of the members at the Annual General Meeting.

#### 3.13.02 Description of Nature and Purpose of each Reserve

**Retained Earnings:** Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to Shareholders.

**General Reserve:** General Reserve is created from time to time by way of transfer of profits from retained earnings for appropriation purposes. General Reserve is created by a transfer from one component of equity to another and is not an item of comprehensive income.

**Cash Flow Hedging Reserve:** The cash flow hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cashflow hedges. The cumulative gain or loss arising on changes in fair value of the designated portion of hedging instruments that are recognised and accumulated under the heading cash flow reserve will be reclassified to statement of profit and loss only when the hedged transaction affects the profit or loss.

### 3.14 Long Term Provisions

Particulars	As at 31 March 2022	As at 31 March 2021
Provision for Employee benefits		
For compensatory absences (refer note 3.34 D)	50.44	48.51
For gratuity (refer note 3.34 A)	4.22	25.08
	54.66	73.59

### 3.15 Borrowings

Particulars	As at 31 March 2022	As at 31 March 2021
From Banks (Secured):		
Packing credit loan	328.19	441.76
Bills discounting	321.08	94.05
	649.27	535.81



## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

**3.15.01** The loan is secured by pari passu first charge on all current assets both present and future.

**3.15.02** Quarterly Statements submitted with the banks are in agreement with the books of accounts.

### 3.15.03 Borrowings

Sl. No.	Particulars	Nature of Security	Repayment details	As at 31 March 2022	As at 31 March 2021
i	Working Capital Loans in Foreign currency from Banks (including Bills discounting)	Secured by the hypothecation of entire current assets of the Company namely inventories, debtors, cash and bank balances, other current assets and loans and advances, present and future and the loan is guaranteed by Nitta Gelatin India Limited (Holding Company) in respect of the said facility availed from the bank. The Interest rate is 0.90 % over the LIBOR rates.	The loans are repayable on demand	649.27	535.81
ii	Cash Credit/Short term loans in Indian Rupee from Banks/Financial Institutions	Secured by the hypothecation of entire current assets of the Company namely inventories, debtors, cash and bank balances, other current assets and loans and advances, present and future. The Interest rate charged is 8.85 %	The loans are repayable on demand	-	-
				<b>649.27</b>	<b>535.81</b>

Debit balance of ₹ 194.08 lakhs in CC Account maintained with Standard Chartered Bank as at 31 March 2022 has been reclassified to Sch 3.08 Cash & Cash equivalents

### 3.16 Trade Payables

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Trade Payables</b>		
(i) Total outstanding dues of micro enterprises and small enterprises	68.53	101.21
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	263.98	248.59
	<b>332.51</b>	<b>349.80</b>

Trade Payables includes provision for expenses accrued and other claims for which bills are yet to be received and pending settlement.

(a) Dues to micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development Act (MSMED), 2006 to the extent identified and information available with the Company. This has been relied upon by the auditors.

i)	Principal amount remaining unpaid (but within due date as per the Micro, Small and Medium Enterprises Development Act, 2006)	68.53	101.21
ii)	Interest due thereon remaining unpaid	-	-
iii)	Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along-with the amount of the payment made to the supplier beyond the appointed day during the period.	-	-
iv)	Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006	-	-
v)	Interest accrued and remaining unpaid	-	-
vi)	Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	-	-

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

### Sundry Creditors ageing as on 31 March 2022

Particulars	Outstanding for following periods from due date of payment/transaction				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	68.50	-	-	-	68.50
(ii) Others	105.92	-	-	-	105.92
(iii) Disputed dues – MSME	-	-	-	-	-
(iii) Disputed dues – Others	-	-	-	-	-

### Sundry Creditors ageing as on 31 March 2021

Particulars	Outstanding for following periods from due date of payment/transaction				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	101.21	-	-	-	101.21
(ii) Others	173.30	-	-	-	173.30
(iii) Disputed dues – MSME	-	-	-	-	-
(iii) Disputed dues – Others	-	-	-	-	-

Unbilled dues included in Trade payables amounts to ₹ 158.13 (₹ 75.29)

### 3.17 Other Financial Liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Creditors for capital goods	-	5.66
	-	5.66

### 3.18 Other Current Liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Statutory Dues	10.47	8.45
Advance received from customers	0.22	0.82
	10.69	9.27

### 3.19 Short Term Provisions

Particulars	As at 31 March 2022	As at 31 March 2021
Provision for Employee benefits	10.38	7.46
For compensatory absences (refer note 3.34 D)	13.24	14.68
For gratuity (refer note 3.34 A)	23.62	22.14

### 3.20 Current Tax liability

Particulars	As at 31 March 2022	As at 31 March 2021
Current Tax Liability (net)	16.41	14.11
	16.41	14.11

### 3.21 Revenue From Operations

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
<b>Sale of products:</b>		
Gross sales	9,286.51	6,737.89
<b>Other operating revenue:</b>		
Scrap sale	11.22	7.61
Export incentive	85.16	3.44
	9,382.89	6,748.94

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

### 3.21.1 Disclosure under Ind AS 115 - Revenue from contracts with customers

#### Disaggregation of revenue from contracts with customers

The management determines that the segment information reported under Note 3.30 Segment reporting is sufficient to meet the disclosure objective with respect to disaggregation of revenue under Ind AS 115 "Revenue from contract with Customers". Hence, no separate disclosures of disaggregated revenues are reported.

The Company's performance obligation are satisfied upon shipment and payment is generally due by 30 to 90 days.

### 3.21.2 Reconciliation of revenue from sale of goods with the contracted price

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Contracted price	9,286.51	6,737.89
Less : Trade discount, rebates etc.	-	-
<b>Net revenue recognised from contracts with customers</b>	<b>9,286.51</b>	<b>6,737.89</b>

### 3.22 Other Income

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Interest Income	2.16	2.98
Rent Income	1.20	1.20
Interest received on income tax refund	-	11.00
Net gain on foreign currency translation	50.50	-
	<b>53.86</b>	<b>15.18</b>

### 3.23 Cost of material consumed

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Opening Stock	302.50	284.09
Add: Purchases	6,412.68	4,894.49
	6,715.18	5,178.58
Less: Closing stock	445.01	302.50
	<b>6,270.18</b>	<b>4,876.08</b>

### 3.24 Changes in inventories of finished goods and work-in-progress

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
<b>Closing Stock</b>		
Finished Goods	515.94	458.35
Work-in-progress	170.80	185.14
	<b>686.74</b>	<b>643.50</b>
<b>Less:</b>		
<b>Opening Stock</b>		
Finished Goods	458.35	507.93
Work-in-progress	185.14	-
	<b>643.49</b>	<b>507.93</b>
	<b>(43.25)</b>	<b>(135.57)</b>

### 3.25 Employee Benefits Expenses

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Salaries, Wages & Bonus	506.39	492.35
Contributions to Provident and other fund	49.89	45.32
Staff Welfare Expenses	5.51	10.62
	<b>561.79</b>	<b>548.29</b>

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

**3.25.01** During the year, the Company recognised an amount of ₹ 29.32 Lakhs (₹.33.36 Lakhs) as remuneration to key managerial personnel. The details of such remuneration is as below:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
a) Short term employee benefits	26.75	30.79
b) Post employment benefits	2.57	2.57
	<b>29.32</b>	<b>33.36</b>

### 3.26 Finance Cost

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Interest expenses on Bank Borrowings	13.44	8.96
Other Interest cost	-	0.12
	<b>13.44</b>	<b>9.08</b>

### 3.27 Other Expenses

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Consumption of stores and spare parts	48.75	43.45
Power and fuel	503.22	474.05
Packing materials consumed	59.79	43.51
Contract labour charges	15.51	11.15
Repairs:		
- Buildings	12.24	10.49
- Plant & Machinery	48.96	39.23
- Others	9.66	9.67
Insurance	7.61	5.83
Rent	0.27	1.28
Rates and Taxes	35.50	38.12
Research and Development Expenditure (refer Note 3.27.01)	-	1.75
Travelling and Conveyance	32.85	32.57
Payments to the auditor (See Note No.3.27.02)	5.30	5.15
Loading, Transportation and Other charges on products	35.09	31.31
Freight on exports	92.00	48.40
Professional and Consultancy charges	20.77	24.25
Management Services Fee	94.81	81.14
Security service charges	20.70	21.46
Guarantee Charges	11.30	14.05
Loss on sale of Assets (net)	0.96	1.46
Expenses on Corporate Social responsibility activities ( Refer Note 3.27.03)	16.06	14.20
Miscellaneous Expenses	33.69	33.77
Net Loss on foreign currency translation	-	14.23
	<b>1,105.04</b>	<b>1,000.52</b>

### 3.27.01 Details of Research & Development Expenses

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
(a) Revenue expenditure charged to the statement of profit and loss (Product development/Engineering expenses)		
Other expenses	-	1.75
	-	<b>1.75</b>
(b) Capital expenditure in relation to tangible fixed assets for Research & Development facilities	-	-

### 3.27.02 Payments to the auditor:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
a. Auditor	5.09	4.94
b. For certification/stock audit Matters	0.21	0.21
	<b>5.30</b>	<b>5.15</b>

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

### 3.27.03 Details of expenses on Corporate Social Responsibility activities

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
a. Gross amount required to be spent by the Company during the year	16.06	14.19
b. Amount spent during the year on:		
i. Construction/acquisition of any asset		
ii. On purposes other than (i) above	16.06	14.20
c. Shortfall at the end of the year	Nil	Nil
d. Total of previous year shortfalls	Nil	Nil
e. Reason for shortfall	Not Applicable	Not Applicable
f. Nature of CSR activities	Healthcare, Education, Community Development	
g. Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard	All expenditure is dispersed through KT Chandy Trust	
h. Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately	Nil	Nil

### 3.27.04 Leases

Rental expense recorded for short-term leases during the year ended 31 March 2022 is ₹ 1.20 Lakhs (31 March 2021: ₹ 1.28 Lakhs).

The Company's significant leasing arrangements are in respect of premises taken on lease for which short term lease rent charged to profit and loss. The lease term are below 12 months generally and are usually renewable by mutual consent on mutually agreeable terms. Under these arrangements, generally refundable interest free deposits have been given. The Company has not entered into any material lease arrangements.

### 3.28 Earnings per share

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Profit for the year	1,091.69	307.47
Weighted average number of equity shares of ₹ 10/- each fully paid up	42.50	42.50
Earnings per Share (Basic & Diluted)	25.69	7.23

### 3.29 Contingent Liabilities not provided for

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Bank Guarantee issued in lieu of Fixed Deposit (refer Note 3.02 & 3.09)	25.81	19.77

### 3.30 Segment Information

The Company is engaged in the manufacture and sale of products which form part of one product group which represents one operating segment, as the Managing Director/Chief Operating Decision Maker (CODM), reviews business performance at an overall company level. Entity-wide disclosure as required by Ind AS 108 "Operating Segment" are as follows:

(i) Revenues from external customers for each product or each group of similar products:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Sales of products and services	9,286.51	6,737.89
	<b>9,286.51</b>	<b>6,737.89</b>

(ii) Revenues from external customers attributed to the Company's country of domicile and attributed to all foreign countries from which the Company derives revenues:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
India	4,360.50	4,256.68
Outside India	4,926.01	2,481.21
	<b>9,286.51</b>	<b>6,737.89</b>

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

(iii) Non-current assets (other than financial instruments non-current tax and deferred tax assets) located in the Company's country of domicile and in all foreign countries in which the Company holds assets:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
India	491.50	486.90
Outside India	-	-
	<b>491.50</b>	<b>486.90</b>

(iv) The following table gives details in respect of percentage of revenues generated from top customer and revenues from transactions with customers amounts to 10 percent or more of Company's revenues from product sale:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Revenue from top customer	4,926.01	2,481.21
Revenue from customers contributing 10% or more to the Company's revenues from product sale other than the above Customer	2,506.65	3,301.98

### 3.31 Capital management

For the purpose of the Company's capital management, capital includes issued capital, additional paid up capital and all other equity reserves attributable to the equity holders of the company. The primary objective of the Company's capital management is to maximise the Shareholder value.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to Shareholders, return capital to Shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, trade payables, less cash.

Particulars	As at 31 March 2022	As at 31 March 2021
Short term borrowings	649.27	535.81
Trade payables	332.51	349.80
Less: Cash and cash equivalents	(194.59)	(22.44)
Less: Bank balances other than cash and cash equivalents	(14.76)	(8.73)
<b>Net debt</b>	<b>772.43</b>	<b>854.44</b>
Equity	425.00	425.00
Other equity	2,087.09	1,219.17
<b>Capital and net debt</b>	<b>3,284.53</b>	<b>2,498.61</b>
<b>Gearing ratio</b>	<b>23.52%</b>	<b>34.20%</b>

### 3.32 Income Tax

The major components of income tax expense are:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
<b>Current income tax:</b>		
Current income tax charge	366.63	99.45
<b>Deferred tax charge</b>		
Relating to the origination and reversal of temporary differences	(6.02)	2.01
<b>Income tax expense reported in Statement of Profit and Loss</b>	<b>360.61</b>	<b>101.46</b>
<b>Deferred tax related to items recognised in OCI</b>		
Income tax relating to re-measurement gains on defined benefit plans	1.16	9.29
Income tax relating to gain on cash flow hedges	2.63	(20.51)
	<b>3.79</b>	<b>(11.22)</b>

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

Reconciliation of deferred tax (net)	As at	As at
	31 March 2022	31 March 2021
Opening balance	18.39	31.61
Tax (expense) during the year recognized in statement of profit and loss	6.02	(2.00)
Tax credit/ (expense) during the year recognised in OCI	3.79	(11.22)
<b>Closing balance</b>	<b>28.20</b>	<b>18.39</b>

  

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate	Year ended	Year ended
	31 March 2022	31 March 2021
<b>Accounting profit before tax and exceptional item</b>	<b>1,452.30</b>	<b>394.22</b>
Tax on accounting profit at statutory income tax rate 25.168%	365.51	99.22
Tax effects of amounts which are not deductible (taxable) in calculating taxable income:		
Tax effect on non deductible expenses	1.32	3.57
Tax effect on eligible deductions	(1.00)	(0.96)
Effect on deferred tax balances due to change in income tax rate	-	-
Others (Bonus/leave/WDV)	(5.22)	(0.37)
<b>At the effective income tax rate</b>	<b>360.61</b>	<b>101.46</b>

### 3.33 Related Party Transactions

#### A. Related parties and nature of relationship

- i. Nitta Gelatin India Ltd Holding Company
- ii. Nitta Gelatin Inc. Enterprise having substantial interest in the Company
- iii. **Key Managerial Personnel**
  - Mr. K.A. George Chief Executive (from 1 January 2021 till date)
  - Mr. E. Kesavan Managing Director (till 31 December 2020)
  - Mr. Sajiv K. Menon Director (Till 31 March 2022)
  - Mr. Philip Chacko M Director (From 1 April 2022)
  - Mr. P. Sahasranaman Director
  - Mr. Shinya Takahashi Director
- iv. K.T. Chandy Seicha Foundation Trust run by Holding Company

#### B. Detail of Transactions:

Nature of Transaction	Holding Company		Enterprise having substantial interest in the Company and its Holding company		Key Managerial Personnel		Total	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021
<b>Sale and Income</b>								
1. Sale of Goods								
<i>Nitta Gelatin Inc</i>	-	-	4,926.01	2,481.21	-	-	4,926.01	2,481.21
<i>Nitta Gelatin India Ltd</i>	1,530.22	2,457.86	-	-	-	-	1,530.22	2,457.86
2. Other Sales								
<i>Nitta Gelatin India Ltd (sale of car)</i>	-	-	-	-	-	3.36	-	3.36
3. Expenses recovered								
<i>Nitta Gelatin India Ltd</i>	13.20	18.03	-	-	-	-	13.20	18.03
4. Rent received								
<i>Nitta Gelatin India Ltd</i>	1.20	1.20	-	-	-	-	1.20	1.20

## Summary of significant accounting policies and other explanatory information for the year ended 31st March 2022 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

### 3.33 Related Party Transactions (cont'd)

#### B. Detail of Transactions (cont'd):

Nature of Transaction	Holding Company		Enterprise having substantial interest in the Company and its Holding company		Key Management Personnel		Total	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021
<b>Purchase and Expenses</b>								
1 Support fee for service rendered recovered <i>Nitta Gelatin India Ltd</i>	94.81	81.14	-	-	-	-	94.81	81.14
2 Expenses reimbursed <i>Nitta Gelatin India Ltd</i>	19.78	13.79	-	-	-	-	19.78	13.79
3 Guarantee Commission paid <i>Nitta Gelatin India Ltd</i>	11.30	14.05	-	-	-	-	11.30	14.05
4 Donation paid for Corporate Social responsibility <i>K T Chandy Seicha Foundation</i>	14.20	14.20	-	-	-	-	14.20	14.20
5 Remuneration*								
<i>Mr E Kesavan (Apr 21-Dec 20)</i>	-	-	-	-	-	29.32	-	29.32
<i>Mr K A George</i>	-	-	-	-	21.39	4.04	21.39	4.04
<b>Dividend paid on equity shares</b>								
<i>Nitta Gelatin Inc</i>	-	-	37.50	71.25	-	-	37.50	71.25
<i>Nitta Gelatin India Ltd</i>	175.00	332.50	-	-	-	-	175.00	332.50
<b>Guarantees Given Amt Outstanding</b>								
<i>Nitta Gelatin India Ltd</i>	-	535.81	-	-	-	-	-	535.81

### 3.33 Related Party Transactions (cont'd)

#### C. Balance outstanding as at year end:

Nature of Transaction	Holding Company		Enterprise having substantial interest in the Company and its Holding company		Key Management Personnel		Total	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021
<b>Receivables</b>								
1 Nitta Gelatin Inc	-	-	933.11	459.81	-	-	933.11	459.81
2 Nitta Gelatin India Ltd	135.88	280.82	-	-	-	-	135.88	280.82



## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

### 3.34 A. Defined benefit plan

The Company has gratuity fund for its employees. The Company provides for gratuity for employees as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity at the rate of 15 days basic salary for each year of service until the retirement age. As at 31 March 2022 and 31 March 2021 the plan assets were invested in insurer managed funds.

The following tables set out the funded status of gratuity plans and the amount recognized in Company's financial statements:

Particulars	31 March 2022	31 March 2021
<b>1 The amounts recognized in the Balance Sheet are as follows:</b>		
Present value of the obligation as at the end of the year	194.59	177.84
Fair value of plan assets as at the end of the year	(177.13)	(138.08)
Net liability/ (assets) recognized in the Balance Sheet	<b>17.46</b>	<b>39.76</b>
Current	13.24	14.68
Non-current	4.22	25.08
<b>2 Changes in the present value of defined benefit obligation</b>		
Defined benefit obligation as at beginning of the year	177.84	143.32
Current service cost	11.66	10.71
Interest cost	12.36	9.75
<i>Actuarial losses/(gains) arising from</i>		
- change in financial assumptions	3.70	28.81
- experience variance (i.e. actual experiences assumptions)	0.00	0.00
Benefits paid	(10.97)	(14.75)
Defined benefit obligation as at the end of the year	<b>194.59</b>	<b>177.84</b>
<b>3 Changes in the fair value of plan assets</b>		
Fair value as at the beginning of the year	138.08	131.34
Expected return on plan assets	10.94	9.61
Actual return on plan assets over expected interest		-
Contributions	40.00	20.00
<i>Actuarial (losses)</i>	(0.92)	(8.12)
Benefits paid	(10.97)	(14.75)
Fair value as at the end of the year	<b>177.13</b>	<b>138.08</b>
<b>Description of Plan Assets</b>		
Insurer Managed Funds (SBI Life insurance)		
<i>Assumptions used in the above valuations are as under:</i>		
Discount rate	7.44%	7.17%
Expected rate of increase in compensation level	7.00%	7.00%
Expected rate of return on plan assets	7.17%	7.17%
Superannuation age	60	60
Mortality	Indian Assured Lives Mortality [2012-14] Ultimate	
<b>4 Net gratuity cost for the year ended 31 March 2022 and 31 March 2021 comprises of following components:</b>		
Current service cost	11.66	10.71
Net interest cost on the net defined benefit liability	1.42	0.14
Components of defined benefit costs recognized in Statement of Profit and Loss	<b>13.08</b>	<b>10.85</b>
<b>5 Other Comprehensive Income</b>		
Change in financial assumptions		
Experience variance (i.e. actual experience vs assumptions)	(4.62)	(36.93)
Components of defined benefit costs recognized in other comprehensive income	<b>(4.62)</b>	<b>(36.93)</b>

Net Liability recognized in the Balance Sheet as at year end	2021-22	2020-21	2019-20	2018-19	2017-18
Present value of obligation at the end of the year	194.59	177.84	143.32	141.55	138.51
Fair value of plan assets at the end of the year	177.13	138.08	131.34	136.36	129.60
Net present value of funded obligation recognized as liability in the Balance Sheet	17.46	39.76	11.98	5.19	8.90

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

### 3.34 B. Defined contribution plan

The Company provides benefits in the nature of defined contribution plans viz, provident fund, employee state insurance scheme and superannuation fund for qualifying employees. Under these Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹ 36.85 lakhs (31 March 2021 : ₹ 34.47 Lakhs) towards contribution for mentioned funds in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the Schemes.

### C. Sensitivity analysis

#### Description of Risk Exposures

Valuations are performed on certain basic set of pre-determined assumptions which may vary over time. Thus, the Company is exposed to various risks in providing the above benefit which are as follows:

**Interest Rate Risk:** The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of liability (as shown in financial statements).

**Liquidity Risk:** This is the risk that the Company is not able to meet the short term benefit payouts. This may arise due to non availability of enough cash/cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

**Salary Escalation Risk:** The present value of the above benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase in salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

**Demographic Risk:** The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

**Regulatory Risk:** Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act, 1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity payouts (for example, increase in the maximum liability on gratuity of ₹ 20,00,000).

**Asset Liability Mismatching or Market Risk:** The duration of the liability is longer compared to duration of assets exposing the company to market risks for volatilities/fall in interest rate.

**Investment Risk:** The probability or likelihood of occurrence of losses relative to the expected return on any particular investment. Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

#### Gratuity

Particulars	Year ended 31 March 2022		Year ended 31 March 2021	
	Increase	Decrease	Increase	Decrease
Discount Rate (- / + 1%)	(11.95)	13.74	(11.19)	12.86
Salary Growth Rate (- / + 1%)	13.34	(11.82)	12.49	(11.06)
Attrition rate (- / + 1%)	(0.25)	0.30	(0.45)	0.53

Sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. There are no changes from the previous period in the methods and assumptions used in preparing the sensitivity analysis.

There is no change in the method of valuation for the prior period.

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

### 3.34 D. Long Term Employee Benefits

Compensated absences (Vesting and Non Vesting): Unfunded Obligation

The following tables set out the status of Compensated absences (Vesting and Non Vesting) and the amount recognized in Company's financial statements:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021			
<b>1 The amounts recognized in the Balance Sheet are as follows:</b>					
Present value of the obligation as at the end of the year	60.82	55.97			
Fair value of plan assets as at the end of the year					
Net liability recognized in the Balance Sheet	<b>60.82</b>	<b>55.97</b>			
<b>2 Changes in the present value obligation</b>					
Present value of obligation at the beginning of the year	55.97	30.72			
Service cost	19.65	18.09			
Interest cost	3.98	2.01			
Actuarial losses/(gains) arising from	(13.72)	10.51			
Benefits paid	(5.06)	(5.36)			
Defined benefit obligation as at the end of the year	<b>60.82</b>	<b>55.97</b>			
Assumptions used in the above valuations are as under:					
Discount rate	7.44%	7.17%			
Salary increase	7.00%	7.00%			
Mortality		Indian Assured Lives Mortality[2012-14] Ultimate			
<b>Net (Asset)/Liability recognized in the Balance Sheet as at year end</b>	<b>2021-22</b>	<b>2020-21</b>	<b>2019-20</b>	<b>2018-19</b>	<b>2017-18</b>
Present value of obligation at the end of the year	60.82	55.97	30.72	28.89	27.21
Fair value of plan assets at the end of the year	-	-	-	-	-
Net present value of funded obligation recognized as (asset)/liability in the Balance Sheet	60.82	55.97	30.72	28.89	27.21
<b>Expenses recognized in the Statement of Profit and Loss</b>	<b>Year ended 31 March 2022</b>	<b>Year ended 31 March 2021</b>			
Current Service Cost	19.65	18.09			
Interest Cost	3.98	2.01			
Actuarial (gain)/ loss recognized in the period	(13.72)	10.51			
Past Service Cost (if applicable)	-	-			
Total expenses recognized in the Statement of Profit and Loss for the year	<b>9.91</b>	<b>30.61</b>			

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

### 3.35 Fair value measurements

#### (i) Financial instruments by category

The carrying value and fair value of financial instruments by categories as of 31 March 2022 were as follows:

Particulars	Notes	Amortised cost	Financial assets/liabilities at FVTPL	Financial assets/liabilities at FVOCI
<b>Assets:</b>				
Cash and cash equivalents	3.08	194.59	-	-
Bank balances other than cash and cash equivalents	3.09	14.76	-	-
Trade receivable	3.07	1,438.64	-	-
Loans	3.01	-	-	-
Other financial assets				
Balances with Bank - Deposit Accounts	3.02	11.04	-	-
Hedge asset	3.10	-	5.17	-
Interest receivable	3.10	1.23	-	-
<b>Total</b>		<b>1,660.26</b>	<b>5.17</b>	<b>-</b>
<b>Liabilities:</b>				
Borrowings	3.15	649.27	-	-
Trade payable	3.16	332.51	-	-
Creditors for capital goods	3.17	-	-	-
<b>Total</b>		<b>981.78</b>	<b>-</b>	<b>-</b>

The carrying value and fair value of financial instruments by categories as of 31 March 2021 were as follows:

Particulars	Notes	Amortised cost	Financial assets/liabilities at FVTPL	Financial assets/liabilities at FVOCI
<b>Assets:</b>				
Cash and cash equivalents	3.08	22.44	-	-
Bank balances other than cash and cash equivalents	3.09	8.73	-	-
Trade receivable	3.07	1,005.99	-	-
Loans	3.01	-	-	-
Other financial assets				
Balances with Bank - Deposit Accounts	3.02	11.04	-	-
Hedge asset	3.10	-	15.61	-
Interest receivable	3.10	1.63	-	-
<b>Total</b>		<b>1,049.83</b>	<b>15.61</b>	<b>-</b>
<b>Liabilities:</b>				
Borrowings	3.15	535.81	-	-
Trade payable	3.16	349.80	-	-
Creditors for capital goods	3.17	5.66	-	-
Others - Hedge liability		-	-	-
<b>Total</b>		<b>891.27</b>	<b>-</b>	<b>-</b>

#### (i) Financial instruments by category

The management assessed that the fair value of cash and cash equivalents, trade receivables, loans, other financial assets, trade payables, working capital loans and other financial liabilities approximate the carrying amount largely due to short-term maturity of this instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

#### (ii) Fair value of financial assets and liabilities measured at amortised cost

The management assessed that for amortised cost instruments, fair value approximate largely to the carrying amount.

#### (iii) Fair value hierarchy

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

**Level 1:** quoted prices (unadjusted) in active markets for financial instruments.

**Level 2:** the fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data rely as little as possible on entity specific estimates.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

### 3.36 Fair value measurements (cont'd)

#### (iii) Fair value hierarchy

##### a) Assets and liabilities measured at fair value - recurring fair value measurement

As at 31 March 2022	Notes	Level 1	Level 2	Level 3	Total
<b>Derivatives designated as cash flow hedges</b>					
Foreign exchange forward contracts	3.10	-	5.17	-	5.17
As at 31 March 2021	Notes	Level 1	Level 2	Level 3	Total
<b>Derivatives designated as cash flow hedges</b>					
Foreign exchange forward contracts	3.10	-	15.61	-	15.61

Foreign exchange forward contracts are valued using valuation techniques, which employs the use of market observable inputs. The valuation techniques uses the exchange rates provided by banks for revaluation of balance in forward contracts as on the reporting dates.

#### (iv) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the fair value of quoted investments is determined using the market value for the investment. The fair value estimates are included in level 1.
- the fair value of foreign exchange forward contracts is determined using market observable inputs, including prevalent forward rates for the maturities of the respective contracts and interest rate curves as indicated by banks and third parties.
- the fair value of other equity instruments have been computed based on income approach using a discounted cash flow model, which discounts the estimated cash flows using the appropriate discount rates.

### 3.36 Financial risk management

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Company is foreign exchange exposure risk. The Company uses derivative financial instruments to mitigate foreign exchange related risk exposures. The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer.

The Company's risk management activity focuses on actively securing the Company's short to medium-term cash flows by minimising the exposure to volatile financial markets. Long-term financial investments are managed to generate lasting returns.

The Company does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Company is exposed are described below. The risk management policies aims to mitigate the following risks arising from the financial instruments. A) Credit Risk B) Liquidity Risk C) Market risk

#### (A) Credit risk analysis

Credit risk is the risk that a counterparty fails to discharge an obligation to the Company, resulting in a financial loss. The Company is exposed to this risk for various financial instruments. The Company's maximum exposure to credit risk is limited to the carrying amount of financial assets, as summarised below:

Assets under credit risk	As at 31 March 2022	As at 31 March 2021
Trade receivable	1,438.64	1,005.99
Loans	-	-
Balances with Bank - Deposit Accounts	11.04	11.04
Interest receivable	1.23	1.63
Hedge asset	5.17	15.61
Cash and cash equivalents	194.59	22.44
Other bank balances	14.76	8.73
	<b>1,665.43</b>	<b>1,065.44</b>

#### A1 Trade and other receivables

Trade receivables are typically unsecured and are derived from revenue earned from customers primarily located in India and Japan. Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company is exposed to a concentration of customer risk with respect to its trade receivable balances. At the reporting date, trade receivable balance from related party customer represented **74.31% (2021 - 73.6 %)** of the total trade receivable balances.

On account of adoption of Ind AS 109, Financial Instruments, the Company uses expected credit loss model to assess the impairment loss or gain. The provision for expected credit loss takes into account available external and internal credit risk factors and Company's historical experience for customers.

The allowance for life time expected credit loss on customer balances for the year ended 31 March 2022 and as at 31 March 2021 was ₹ Nil and ₹ Nil respectively. The reversal for lifetime expected credit loss on trade and other receivables for the year ended 31 March 2022 was ₹ Nil.

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

### 3.36 Financial risk management (cont'd)

#### A2 Cash and cash equivalents

The credit risk for cash and cash equivalents, and derivative financial instruments is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

#### Financial assets that are neither past due nor impaired

Cash and cash equivalents, advances recoverable, loans and advances to employees, security deposit and other financial assets are neither past due nor impaired.

#### Financial assets that are past due but not impaired

There is no other class of financial assets that is past due but not impaired.

#### (B) Liquidity risk

Liquidity risk is that the Company might be unable to meet its obligations. The Company manages its liquidity needs by monitoring scheduled debt servicing payments for long-term financial liabilities as well as forecast cash inflows and outflows due in day-to-day business. The data used for analysing these cash flows is consistent with that used in the contractual maturity analysis below. Liquidity needs are monitored in various time bands, usually on a month on month basis. Long-term liquidity needs for a 360-day lookout period are identified monthly. Net cash requirements are compared to available borrowing facilities in order to determine headroom or any shortfalls. This analysis shows that available borrowing facilities are expected to be sufficient over the lookout period.

The Company's objective is to maintain cash and marketable securities to meet its liquidity requirements for 30-day periods at a minimum. This objective was met for the reporting periods. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities and the ability to sell long-term financial assets.

The Company's non-derivative financial liabilities have contractual maturities (including interest payments where applicable) as summarised below:

#### Maturities of financial liabilities

##### As at 31 March 2022

	Less than 1 year	1 year to 5 years	More than 5 years	Total
Borrowings	649.27	-	-	649.27
Trade payable	332.51	-	-	332.51
Other financial liabilities	-	-	-	-
<b>Total</b>	<b>981.78</b>	<b>-</b>	<b>-</b>	<b>981.78</b>

##### As at 31 March 2021

	Less than 1 year	1 year to 5 years	More than 5 years	Total
Borrowings	535.81	-	-	535.81
Trade payable	349.80	-	-	349.80
Other financial liabilities	5.66	-	-	5.66
<b>Total</b>	<b>891.27</b>	<b>-</b>	<b>-</b>	<b>891.27</b>

#### (C) Market risk

The Company is exposed to market risk through its use of financial instruments and specifically to currency risk and interest rate risk, which result from both its operating and investing activities.

### C1 Foreign currency sensitivity

The Company operates internationally and a significant portion of the business is transacted in USD currencies and consequently the Company is exposed to foreign exchange risk through its sales in foreign currencies. The Company holds derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The exchange rate between the rupee and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Consequently, the results of the Company's operations are adversely affected as the rupee appreciates/ depreciates against this currencies.

Foreign currency denominated financial assets and liabilities which expose the Company to currency risk are disclosed below. These include outstanding derivatives contracts entered into by the Company and unhedged foreign currency exposures.

Particulars	As at 31 March 2022			As at 31 March 2021	
	Currency	Amount in foreign currency Lakhs	Amount in ₹ Lakhs	Amount in foreign currency Lakhs	Amount in ₹Lakhs
<b>Financial assets</b>					
Trade receivables	USD	12.40	933.11	6.30	459.81
<b>Financial liabilities</b>					
Current borrowings	USD	8.52	649.26	7.25	535.81

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

### 3.36 Financial risk management (cont'd)

Conversion rates	Financial Assets	Financial Liabilities
	USD	USD
As at 31 March 2022	75.26	76.17
As at 31 March 2021	73.00	73.91

#### Sensitivity

The following table details the Company's sensitivity to a 1% increase and decrease in the ₹ against the relevant foreign currencies. 1% is the sensitivity rate used when reporting foreign currency risk internally to key managerial personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a 1% change in foreign currency rates, with all other variables held constant. A positive number below indicates an increase in profit or equity where ₹ strengthens 1% against the relevant currency. For a 1% weakening of ₹ against the relevant currency, there would be a comparable impact on profit or equity, and the balances below would be negative.

Impact on profit after tax	Increase	Decrease	Increase	Decrease
	31 March 2022	31 March 2022	31 March 2021	31 March 2021
<b>Sensitivity</b>				
INR/USD	2.84	(2.84)	(0.69)	0.69
<b>Impact on other components of equity</b>				
<b>Sensitivity</b>				
INR/USD	(19.83)	19.83	(13.07)	13.07

#### Derivative financial instruments

The Company holds derivative financial instruments such as foreign currency forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank or a financial institution. These derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or in directly observable in the marketplace.

The following table gives details in respect of outstanding foreign exchange forward contracts

Particulars	31 March 2022	31 March 2021
<b>Forward Contracts</b>		
In USD Lakhs	25.75	17.40

The foreign exchange forward contracts mature within twelve months. The table below analyses the derivative financial instruments into relevant maturity groupings based on the remaining period as of the Balance Sheet date:

Particulars	31 March 2022 Amount in USD Lakhs	31 March 2021 Amount in USD Lakhs
Not later than one month	3.00	1.07
Later than one month and not later than three months	6.00	2.88
Later than three months and not later than a year	16.75	13.45

#### Disclosure of effects of hedge accounting on financial position

31 March 2022

Type of hedge	Nominal value	Carrying amount	Maturity date	Weighted average strike rate	Change in intrinsic value of instruments since inception of hedge	Change in the value of hedged item used to determine hedge ineffectiveness
<b>Cash flow hedge</b>						
Foreign exchange forward contracts	1,937.95	5.17	April 2022- March 2023	1 USD = 77.046 INR	(10.44)	-

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

**31 March 2021**

Type of hedge	Nominal value	Carrying amount	Maturity date	Weighted average strike rate	Change in intrinsic value of instruments since inception of hedge	Change in the value of hedged item used to determine hedge ineffectiveness
<b>Cash flow hedge</b>						
Foreign exchange forward contracts	1,270	15.61	April 2021- March 2022	1 USD = 75.139 INR	81.50	-

### Disclosure of effects of hedge accounting on financial performance

**31 March 2022**

Type of hedge	Change in the value of the hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised in profit or loss	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in statement of profit and loss because of the reclassification
Foreign exchange forward contracts	(10.44)	-	-	Not applicable

**31 March 2021**

Type of hedge	Change in the value of the hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised in profit or loss	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in statement of profit and loss because of the reclassification
Foreign exchange forward contracts	81.50	-	-	Not applicable

### C2 (i) Interest rate risk Liabilities

The Company's policy is to minimise interest rate cash flow risk exposures on long-term financing. At 31 March 2021, the Company is exposed to changes in market interest rates through bank borrowings at variable interest rates. The Company's investments in fixed deposits all pay fixed interest rates.

#### Interest rate risk exposure

Below is the overall exposure of the Company to interest rate risk:

Particulars	As at 31 March 2022	As at 31 March 2021
Variable rate borrowing	649.27	535.81
Fixed rate borrowing	-	-
Total borrowings	649.27	535.81
Amount disclosed under other current financial liabilities	-	-
Amount disclosed under borrowings	649.27	535.81

#### Sensitivity

Below is the sensitivity of profit or loss in interest rates.

Particulars	31 March 2022	31 March 2021
<b>Interest sensitivity</b>		
Interest rates – increase by 100 basis points (100 bps)	6.49	5.36
Interest rates – decrease by 100 basis points (100 bps)	(6.49)	(5.36)



## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

### C2 Interest rate risk (cont'd)

#### (ii) Assets

The Company's fixed deposits are carried at amortised cost and are fixed rate deposits. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

### 3.37 Events after the Balance Sheet date

The Board of Directors have recommended a final dividend of ₹ 13.50 per share to be paid on equity shares of ₹ 10/- each. This equity dividend is subject to approval by Shareholders at the Annual General Meeting and has not been included as a liability in these financial statements. The proposed equity dividend is payable to all Shareholders on the Register of Members.

### 3.38 Impact of COVID-19

The market for Gelatin, Collagen peptide and DCP continues to be robust. Due to COVID-19 restrictions, availability of one of the major raw materials, Crushed Bone, for the gelatin industry continues to be lower than demand whereby the price remains at a very high level and with little attention to quality by many of the suppliers. Due to this, the gross profit margin is lower as compared to the pre-COVID-19 times. In the opinion of the management, this mismatch between demand and supply is likely to ease in future though quality issues are likely to continue for some time. In financial planning, the Company has taken into account the possible impact of COVID-19 on the operations of the Company, including but not limited to its assessment of liquidity and going concern assumption, recoverable values of its financial and non-financial assets and impact on revenues and costs. The Company has been able to effectively manage the operations till now with appropriate safety precautions, with minimal impact of COVID-19 on the plant operations. The Company will continue to closely monitor future developments and take appropriate measures to minimise any adverse impact on the profit margin and to ensure business continuity.

### 3.39 Key Ratios

Particulars	31 March 2022	31 March 2021	% Variance	Reason for variance
Current Ratio	2.89	2.23	29.60%	There has been considerable increase in the bank balance on account of increased collection efforts made during the month of March 2022. There has also been an increase of around 43% in trade receivables on account of increase in revenue from operations. The inventory also increased by around 19%. Hence there has been substantial variance in the ratio.
Debt-Equity Ratio	0.26	0.33	-21.21%	
Debt Service Coverage Ratio	87.91	42.76	105.59%	There has been an increase of 205% in the operating revenue, primarily on account of increase in revenue from operations. Hence there has been substantial variance in the ratio.
Return on Equity Ratio	0.53	0.18	194.44%	There has been an increase of 255% in the profit after tax, primarily on account of increase in revenue from operations. Hence there has been substantial variance in the ratio.
Inventory turnover Ratio	8.42	7.25	16.14%	
Trade Receivables Turnover Ratio	7.60	6.47	17.47%	
Trade payables Turnover Ratio	18.80	14.49	29.74%	The purchase for the current year has increased by 31% owing to increase in operations of the company. Whereas the trade payables has increased only marginally resulting in an increase in the ratio.
Net capital Turnover Ratio	4.77	5.84	-18.32%	
Net profit Ratio	0.12	0.05	140.00%	There has been an increase of 255% in the profit after tax, primarily on account of increase in revenue from operations. Hence there has been substantial variance in the ratio.
Return on Capital Employed	0.47	0.19	147.37%	There has been an increase of 255% in the profit after tax, primarily on account of increase in revenue from operations. Hence there has been substantial variance in the ratio.

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

### Items included in above ratios

Particulars	Numerator	Denominator
Current Ratio	Current Assets ( Inventories, Financial Assets and Other Financial Assets)	Current Liabilities ( All items of current liabilities as per Balance Sheet)
Debt-Equity Ratio	Total Borrowings	Equity Share Capital and Other Equity
Debt Service Coverage Ratio	Operating Income	Long Term Debt ( including current maturities)
Return on Equity Ratio	Profit after tax reduced by preference dividend	Equity Share Capital and Other Equity
Inventory turnover Ratio	Sales	Average Inventory
Trade Receivables Turnover Ratio	Credit Sales	Average Debtors
Trade payables Turnover Ratio	Purchases	Average Creditors
Net capital Turnover Ratio	Sales	Average Working Capital
Net profit Ratio	Profit after tax	Sales
Return on Capital Employed	Earnings before interest and tax	Total Assets reduced by Current Liabilities

- 3.40**
- a) No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.
  - b) The Company has not been declared as a wilful defaulter by any bank or financial institution or government or any government authority.
  - c) As per the information available with the Company, the Company has no transactions with the companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
  - d) There has been no charges or satisfaction yet to be registered with ROC beyond the statutory period.
  - e) The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds to any other persons or entities, including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the intermediary shall
    - 1) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries).
    - 2) provide any guarantee, security or the like on behalf of the ultimate beneficiaries. Company has not received any fund from any persons or entities, including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the company shall
      - i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or
      - ii) provided any guarantee, security or the like on behalf of the ultimate beneficiaries.
  - f) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year ended 31 March 2022.
  - g) The Company does not have any surrendered or undisclosed income during the year in the tax assessments under the Income Tax Act, 1961.
  - h) The title deeds of all the immovable properties held by the Company disclosed in the financial statements are held in the name of the Company.
  - i) The borrowings obtained by the company from banks and financial institutions have been applied for the purposes for which such loans were taken.
  - j) The Company has complied with the number of layers prescribed under the Section 2(87) of the Companies Act, 2013 read with Companies (Restriction on number of layers) Rules, 2017.
  - k) No loans or advances in the nature of loans are granted to promoters, Directors, KMPs and the related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person, that are repayable on demand or without specifying any terms or period of repayment.
- 3.41** Prior year comparatives have been regrouped/reclassified where necessary to conform with the current period/year classification.

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022 (cont'd)

(All amounts are in ₹ Lakhs, unless otherwise stated)

This is the summary of the accounting policies and other explanatory information referred to in our report of even date.

For **Walker Chandiok & Co LLP**  
Chartered Accountants  
Firms Registration no :001076N/N500013

**For and on behalf of the Board of Directors of  
Bamni Proteins Limited**

**Krishnakumar Ananthasivan**  
Partner  
Membership No: 206229

**Philip Chacko M**  
Chairman  
DIN: 01219764

**P. Sahasranaman**  
Director  
DIN: 07644126

Place: Kochi  
Date: 4 May 2022



## **Bamni Proteins Ltd.**

Registered Office: 56/715, SBT Avenue, Panampilly Nagar, Kochi - 682 036

Factory: P.O.Dudholi, Bamni Via, Ballarpur, Dist. Chandrapur, Maharashtra - 442 701